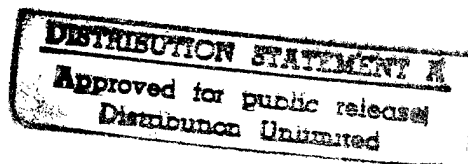


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# East Europe Report



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3 February 1986

## EAST EUROPE REPORT

### CONTENTS

#### AGRICULTURE

##### HUNGARY

Government Measures Reduce Vegetable Price Levels (FIGYELO, No 40, 3 Oct 85) .....	1
Agricultural Co-Op Mainstay of Most Villages (FIGYELO, No 40, 3 Oct 85) .....	4

##### YUGOSLAVIA

Sugar Beet Production, Processing in 1985 (PRIVREDNI PREGLED, 17 Dec 85) .....	7
---	---

#### ECONOMY

##### INTERNATIONAL AFFAIRS

Use of Containers in Transportation by CEMA Countries (Dumitru Petrovici; REVISTA ECONOMICA, No 39, 27 Sep 85) .....	10
CEMA's Tasks in Agriculture Discussed (RUDE PRAVO, 6 Dec 85) .....	15
Moscow Correspondent Previews CEMA Meeting (Stefan Simak; Prague Domestic Service, 16 Dec 85) .....	16
Strougal Addresses Moscow Reception on CEMA Results (Prague Domestic Service, 18 Dec 85) .....	17
CSSR-Romanian Cooperation Details Outlined (CTK, 13 Dec 85) .....	18

Briefs	19
CEMA Session Continues	19
USSR's Ryzhkov Meets Strougal	
HUNGARY	
Economic Ties With Cuba Described	
(Karoly Fekete; FIGYELO, No 50, 12 Dec 85) .....	20
Comprehensive Tax Reform Held Essential	
(Sandor Kopatsy; FIGYELO, No 48, 28 Nov 85) .....	23
More Mixed Trading Firms Established	
(FIGYELO, No 48, 28 Nov 85) .....	27
POLAND	
Messner Address at Moscow CEMA Session	
(Zbigniew Messner; RZECZPOSPOLITA, 18 Dec 85) .....	29
Sejm To Prepare Candidate List for Sociopolitical Council	
(TRYBUNA LUDU, 10 Dec 85) .....	33
Ministers Discuss Winter Coal Supply Measures	
(RZECZPOSPOLITA, 12 Dec 85) .....	34
Gdansk Shipyard To Build Timber Ships for USSR	
(GLOS SZCZECINSKI, 10 Dec 85) .....	36
Iron and Steel Industries Merger Plan Debated	
(Slawomir Lipinski; ZYCIE GOSPODARCZE, 10 Nov 85) .....	37
Economists Debate, Assess Reform	
(Jacek Mojkowski, Jacek Poprzeczko; POLITYKA, 30 Nov 85) .	43
Budget Deficit 'Reduction' Measures Described	
(Tomasz Jezioranski; ZYCIE GOSPODARCZE, 15 Dec 85) .....	49
Briefs	
Polish-Chinese Trade To Grow	57
ROMANIA	
Efforts To Increase Jiu Valley Coal Production	
(Emil Munteanu; ROMANIA LIBERA, 4 Oct 85) .....	58
Proper Distribution of Manpower, Resources by Counties Urged	
(Alexandru Radocea; REVISTA DE STATISTICA, No 6-7, Jun-Jul 85) .....	61
YUGOSLAVIA	
Measures To Ease Unemployment; New Proposed Law Discussed	
(Zvezdana Jurkovic; DANAS, 12 Nov 85) .....	70



Briefs	
Spring Planting Plans	75
Construction in Libya	75
Trade With Albania	75
Arms Production in 'Zastava'	76
Serbian Foreign Trade	76
Uranium Oxide Production	76

## POLITICS

### INTERNATIONAL AFFAIRS

Romanian Magazines Review Book on 'Horthy's Terror'	
AGERPRES, 11 Jan 86) .....	77
Nationality Leaders Discuss Improved Policies in Hungary	
(KRITIKA, No 11, Oct 85) .....	80
Albanian Leaders' Message of Thanks to Romania	
(SCINTEIA, 18 Dec 85) .....	89
Briefs	
Condolences on Mining Accident	90

### ALBANIA

Nexhmije Hoxha's Life, Political Role Viewed	
(Pero Zlatar; VJESNIK, various dates) .....	91

### HUNGARY

PPF First Secretary Discusses Organization's Role, Duties	
(Gabor Karsai; FIGYELO, 28 Nov 85) .....	93
Causes of, Remedies for Low KISZ Membership Discussed	
(Peter Schiffer; TARSADALMI SZEMLE, Dec 85) .....	98

### POLAND

'Consensus' Group Reaches Out to PRON, Church	
(Stanislaw Podemski; POLITYKA, 16 Nov 85) .....	105
Lack of Progress on Agricultural Foundation Criticized	
(Slawomir Siwek; PRZEGLAD KATOLICKI, 15 Dec 85) .....	108
Briefs	
Episcopate Refutes Media Reports	111
Glemp on Jaruzelski-Mitterrand Meeting	111
Agricultural Foundation Negotiations	111

## ROMANIA

Romanians Attack 'Revisionist Ideas' in Hungarian Publication (Constantin Botoran; CONTEMPORANUL, 6 Dec 85) .....	112
RCP Executive Political Committee Meets (AGERPRES, 14 Dec 85) .....	120
Romanian Weekly Rejects Hungarian 'Distortion' (AGERPRES, 27 Dec 85) .....	123
Occupation of Transylvania by Horthy Recalled (AGERPRES, 29 Dec 85) .....	125
Ceausescu's Views on Role of Nation in Socialism, in World (Mihai Arsene; ERA SOCIALISTA, No 21, 10 Nov 85) .....	127
Roundtable on Proceedings of Stuttgart History Conference (Ion Ardeleanu, et al.; ERA SOCIALISTA, No 21, 10 Nov 85)	136
Briefs	
Presidential Appointments	155
Agricultural Personnel Change	155
Ministry of Agriculture Appointments	155
Release of Agricultural Officials	155

## SCIENCE AND TECHNOLOGY

### YUGOSLAVIA

Genetic Engineering, Biotechnology Plans in Serbia (PRIVREDNI PREGLED, 18 Dec 85) .....	156
Serbian Lag in Computer Technology Discussed (Dusko Vitas Interview; PRIVREDNI PREGLED, 19 Dec 85) ..	157
Attempts To Organize Computer Research, Production in Serbia (PRIVREDNI PREGLED, 19 Dec 85) .....	160
British Computer System in Yugoslav Retail Stores (PRIVREDNI PREGLED, 19 Dec 85) .....	163

## SOCIOLOGY

### HUNGARY

Characteristics, Stratification of Working Class Detailed (Ferenc Kovacs; TARSADALMI SZEMLE, No 8/9, 1985) .....	165
---	-----

AGRICULTURE

HUNGARY

GOVERNMENT MEASURES REDUCE VEGETABLE PRICE LEVELS

Budapest FIGYELO in Hungarian No 40, 3 Oct 85 p 17

[Article: "Runaway Vegetable Prices?--Based on Central Statistical Office Data"]

[Text] In the long run, the price of potatoes, vegetables, and fruits is greatly increasing! For example, between 1970 and 1980 the price of potatoes doubled, while those of vegetables and fruits increased by 2.2 and 2.4 times. The increase continued in the 1980s. The price level of potatoes rose by 20-25 percent between 1980-84; in comparison, that of vegetables and fruits rose by 40 and 30 percent respectively.

1984 was characterized by a significant decline in the supply offered by retail outlets and by a stagnation in market deliveries. Because of the situation that developed in the market in 1984, governmental measures were introduced, which had a positive effect on the supply for the year and for the price structure.

Until the end of July 1985 this positively influenced the potato, vegetable, and fruit supply and the price level, so that there were not only more goods available during the winter than during the previous year, but also more than the projected amount. In addition to this, in June--even if somewhat delayed--significantly more agricultural commodities reached the stores and the markets. At the same time, the price level also increased because of the late appearance of out-of-season fruits and vegetables and the fact that the quantity was smaller than during the previous year, as well as the late ripening of field crops.

As a result of all of this, during the first half of the year a price level essentially corresponding to last year's high level resulted. In July, however, the prices decreased so much that it reduced the price level in stores and markets by an average of 5 percent over seven months.

Last year's favorable yield of potatoes resulted in an abundant supply for this year and in significantly lower prices than last year. As a result of this, primarily in the markets, potatoes were sold at a significantly lower price than last year. Therefore, taking the store and market price levels together, during the first quarter year, it was 3.3 percent lower than last year, 29.4 percent lower during the second quarter, and 13.4 percent lower in July.

Taking all of the vegetables into consideration, the population had available several percent fewer fresh products than last year. The ripening of field

crops in July created a somewhat larger product base than last year; therefore, taking the first seven months together, the quantity of vegetables which reached the market corresponded to last year's level.

The demand was satisfied by the quantity of products stored during the winter and then sold in stores and brought to the markets. In addition, the products were 12-13 percent cheaper than during the previous year.

The out-of-season products arrived late, and as a consequence, during the first half of the year their sale in the retail stores was reduced by 4 percent, and in the markets by 10 percent. True, during the first half of the year more early tomatoes, green peppers and cucumbers reached the customers than during the last year, but their price was still 4.5 to 12 percent higher than those prevailing last year.

A cool June raised prices by delaying the ripening of field crops. As a result of all of this, the price level of vegetables during the second quarter of the year, both in stores and at the markets surpassed the 1984 second quarter prices by 8 percent. Field bulk goods decreased the price level of vegetables by 13 percent in stores and by 20 percent at the markets.

At the same time, cabbage type crops, which had had a somewhat smaller yield, could be bought at 2.5-3.5 times last year's price; cucumbers and kohlrabi were 19 and 51 percent more expensive.

A comparison of the wholesale and retail prices showed that in the stores run by cooperative commercial enterprises (such as the stores of the Vegetable Retailing Enterprise [ZOLDERT] and the General Consumer and Marketing Cooperatives [AFESZ]), fruits and vegetables were sold at 1.5-3.8 times the retail prices. For example, from January to June 1985 the following price ratios were valid between wholesale and retail prices: (see Table IV)

A government decree which sought to better organize market distribution--among other things intending to suppress the middleman-system--encouraged the establishment of additional wholesale markets in more places throughout the country. Following the government decree, wholesale markets were set up in the following cities of each of 7 counties: Kecskemet, Bekescsaba, Gyor, Siofok, Szolnok, Szekszard and Veszprem; as well as on the central market site in the capital (AGROUNIO). In addition, similar markets have been operating in Szeged since 1979 and in Pecs since 1981. The only wholesale market with traditional prestige remains the one at Bosnyak Square in Budapest, which, however, is less and less able to meet the demands posed by the increasing volume.

Table I. Price Structure of Potatoes, Vegetables, and Fruit

	Average Annual Growth (Percentage)		
	1971-80	1981-84	1984
POTATOES			
In Stores	6.8	5.7	12.4
At Markets	7.9	4.7	4.5
VEGETABLES			
In Stores	8.4	9.0	14.1
At Markets	9.1	8.2	11.1
FRUIT			
In Stores	8.4	7.4	22.9
At Markets	8.9	6.4	22.9

Table II. Price Structure in 1985 (1984 average = 100)

	STORE		MARKET	
	July	January-July monthly average	July	January-July monthly average
Potatoes	86.5	88.4	86.6	72.9
Vegetables	87.0	95.1	85.2	98.5
Fruits	79.1	96.8	81.3	93.9
Total	85.3	94.3	84.3	95.4

Table III. Quantity of Vegetables Marketed in 1985 (same period in previous year = 100)

	STORE		MARKET	
	July	January-July monthly average	July	January-July monthly average
Out-of-Season Products	--	95.9	--	90.3
Field Crops	120.1	102.0	128.0	107.3
Total	120.1	100.9	128.0	102.1

Table IV. Average Price In Stores Per Kg In Comparison With Wholesale Price

Carrots	1.5 times	Apples	1.4 times
Tomatoes	1.5 times	Cherries	1.6 times
Green Peppers	1.7 times	Morello Cherries	1.6 times
Green Peas	1.7 times	Red Raspberries	1.8 times
Onions	2.2 times	Strawberries	2.1 times
Green Beans	2.6 times	Peaches	2.1 times
Cucumbers	3.2 times	Apricots	2.1 times
Squash	3.8 times		

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AGRICULTURE

HUNGARY

AGRICULTURAL CO-OP MAINSTAY OF MOST VILLAGES

Budapest FIGYELO in Hungarian No 40, 3 Oct 85 p 17

[Article by B.P.: "Provincial Village"]

[Text] Five million residents live in the country's 3,004 communities; this is almost 4 percent less than in 1970. Included in this statistic is the decrease of population by 18 percent in the tiny villages, by 19 percent in the small communities not belonging to the environs of any town, and by 50 percent in outlying farm settlements. Due to the absence of income opportunities, almost one-third of working-age employees in industrially developed areas and 66 percent in the capital's metropolitan area commute.

To Distribute Less In More Portions

Therefore, providing jobs locally has become a common interest of the population and of the increasingly powerful agricultural cooperatives. The village is the work-place and the place of residence for more than 80 percent of those working in agricultural cooperatives. In contrast with the national average of 33 percent, 46 percent of the gainfully employed living in small settlements work in local agricultural cooperatives. And these farms have also undertaken to accomplish numerous objectives for the development of the communities. The Central People's Control Committee (KNEB) examined how successful or unsuccessful this has been.

The size of the social and cultural funds generated and utilized by the agricultural cooperatives is proportional to the role filled by this branch in gross national production. Looking at the average size of the permanent staff, however, it remains below three-quarters of the national average. A peculiarity of this branch is reflected in the fact that in conjunction with the support and assistance to older members of the agricultural cooperatives, the cooperatives' proportion (20 percent) of expenditures allocated for relief within the utilization of social and cultural funds exceeds 2.5 times the national average.

Among the agricultural cooperatives examined by the KNEB these contributed some 70 percent of their social-cultural funds to social relief. In the list of relief according to size, assistance to the needy--for example, retired persons and annuitants--stands in second place. In the period examined by the KNEB, 30 percent of the members of the cooperatives--approximately 45-48,000 individuals annually--received assistance in the sum of 1,300-1,600 forints.

Vacationing opportunities organized by agricultural cooperatives are just now being developed. This is made clear by the fact that out of the social-cultural funds approximately 7 percent is utilized for vacation purposes, barely more than one-third of the national average.

#### Forms of Relief

The creation of sources for taking care of social and cultural needs causes the enterprises great anxiety. The financial base necessary for this purpose --which could have been subsidized out of the profits, or from the budgetary funds--could only be generated on the basis of the number of active workers, while at the same time utilization of these funds overwhelmingly serves the assistance of retired and annuitant members (nationally, 250,000 individuals).

The agricultural cooperatives are paying special attention to the position of young workers and those beginning their careers. Their housing and settlement needs are met in a significant measure. The most frequent form of support is a 20-60,000 forint interest-free or minimal interest loan provided for home construction.

The community development program of the 1970s used some 90 percent of funds available as county development funds for the purpose of developing the cities, for providing for the larger, urbanizing communities, for improving the infrastructure. In the period examined by the KNEB there was some improvement, shown by the fact that among all of the development opportunities available to the counties, the sum used for the development of the communities rose from the earlier 10 percent to 20 percent; in some counties (e.g. Borsod and Bacs-Kiskun) the communities' share reached 30 percent.

#### Without a Telephone

The agricultural cooperatives support community development in various ways in their domains. Financial support is predominant in the large communities, in the development of county seats. In-kind and social contributions are typical in the case of small and dwarf villages.

Among the agricultural cooperatives examined, they contributed 4 percent to the councils' own income sources, 10 percent to the transferred sources, and 36 percent to the shared sources. The total amount they provided amounted to 6 percent of the total of development sources acquired locally, or 69 million forints annually.

Those cooperatives which are unfavorably endowed and have low incomes generally contribute to the community infrastructure with in-kind support. The regular upkeep of the communities' unpaved roads would be almost insoluble without the help of the cooperatives. It is common practice that the cooperatives support a village's social, cultural, and health facilities.

Experience shows that half of the councils' development resources are used for community purposes. In spite of this, the majority of the settlements examined do not have a public water supply; as a matter of fact, nearly half of the existing water supplies are endangered and do not meet the stipulated water quality. The majority of the communities mentioned do not have 24-hour telephone service available.

## Things For Which One Must Travel

Provisions for commercial needs in the independent communities and small communities also lag behind the demand and possibility for such.

Supply has been helped somewhat by the local agricultural cooperatives' stockyards, meat stores, bakeries, vegetable stores, as well as mobile supermarkets, drycleaners. This type of endeavor by cooperative enterprises, however, is characteristic of only a few counties.

Small communities are almost completely without shoemakers, hairdressers, and tailors. For these services it is necessary to travel some distance. Also a problem in the development of the transportation system is the fact that bus connections are inadequate; during the weekends it is nearly impossible to get to the dwarf communities; the transportation conditions for "commuting" students from the dwarf communities have deteriorated.

An increase in the cost of fares is most burdensome for those living in these outlying communities, since they must travel at least 10 kilometers in most cases for medicine, for everyday items, and for services.

One consequence of all of this is that two-thirds of the agricultural leaders in the cooperatives do not settle in the small settlements, but in the more urbanized larger communities which have a more developed infrastructure. In countless dwarf settlements there isn't a single member of the intelligentsia residing there, and also in part because of this the intellectual and cultural life here has come to a standstill; in large measure the cultural conditions are lacking.



Milking the Co-op for the Village

Key: 1. Co-op  
2. Community Council

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AGRICULTURE

YUGOSLAVIA

SUGAR BEET PRODUCTION, PROCESSING IN 1985

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 17 Dec 85 p 5

[Text] By contrast with last year, there were no difficulties supplying the domestic market with sugar this year. There were only occasional problems during September and October, when shortages of this product occurred in the trade network in certain parts of the country because of excessive purchases of sugar by the public in order to build up stocks in the household, resulting above all from the announced rise in the price of sugar. After that the supply returned to normal once again, and now the market throughout the entire country is rather well supplied with sugar both in quantity and also in assortment, since there are sufficient quantities of granulated, lump, and powdered sugar.

Inventories of Domestic and Imported Sugar Carried Over Are About 100,000 Tons Larger

The production of sugar beets this year has been estimated at 6.48 million tons, which is 312,400 tons, or 4.6 percent, less than the actual output in 1984. While the dropoff of production in the principal growing regions ranged from 1.3 percent in Croatia to 1.7 percent in Vojvodina, in other regions of the country the drop in the sugar beet harvest was even greater and ranged from 22 percent in Bosnia-Hercegovina to 36.4 percent in Macedonia. Since weather conditions were good during the season of digging and processing sugar beets this year, and since the sugar beets had a high sugar content, the mills anticipate that they will produce about 852,700 tons of sugar from domestic beets. In addition, about 12,000 tons of additional sugar will be obtained by finishing sugar beets from the People's Republic of Hungary, so that about 864,700 tons of sugar will be available for consumption within the country and for export, which is about 60,000 tons less than the record postwar production of sugar in 1984.

The inventories of domestic and imported sugar carried over as of 1 September of this year were about 100,000 tons larger than a year earlier. Since changes are not expected in the production of sugar over last year, it has to be assumed that the available quantities of sugar in the country will completely meet the demand of the domestic market. Sugar consumption as a raw material will be essentially less than last year because of the smaller fruit harvest, so that less fruit will be processed. Consumption and purchases of

sugar by the public will also be smaller, since when sugar prices are stable, the consumer will use up the sugar from the household stocks built up previously.

In spite of the constant fluctuations, sugar beet production has shown a growth trend in recent years, as can be seen from the table below:

Year	1979	1980	1981	1982	1983	1984	1985 (estimate)
In thousands of tons	5,847	4,891	6,240	5,621	5,520	6,866	6,500

The quantities of sugar beets produced were not adequate for full use of the installed capacity of the 23 sugar mills which have been built.

#### Capacity Utilization of Sugar Mills by Republics and Provinces, in percentage

<u>Socialist Republics/ Socialist Autonomous Provinces</u>	<u>1984</u>	<u>1985</u>
Bosnia-Hercegovina	31.3	55.9
Croatia	102.6	89.1
Macedonia	66.6	85.8
Slovenia	73.1	81.2
Serbia	33.4	59.6
Vojvodina	100.0	87.0
Kosovo	48.3	58.3
SFRY	83.3	85.0

The installed capacity of the 23 sugar mills can process 8,243,000 tons of sugar beets in 90 days and produce about 120,000 tons of sugar. In 1984 they processed 6,866,586 tons of sugar beets and produced about 925,000 tons of sugar, whereas this year they will process about 6,636,000 tons of beets and produce about 860,000 tons of the white commodity.

#### Growth of Losses in Production

The economic position of sugar mills has been deteriorating year after year. According to the figures of the Social Accounting Service, at the end of this September a loss of 11.8 billion dinars had been recorded, and the loss is expected to increase to 18.75 billion dinars by the end of the year. The principal causes of the deterioration in the economic position of sugar mills can be reduced to the following:

- i. low utilization of capacity has a bearing on the losses of some sugar mills;
- ii. the rise in the prices of raw materials and production supplies, especially energy and containers, has been more rapid than the rise of sugar prices;
- iii. unfavorable economic conditions in the construction and reconstruction of sugar mills (exchange rate differences, unfavorable terms for repayment of credit, and high rates of interest);

iv. the average production cost per kilogram of sugar is now 146.10 dinars and ranges from 129 to 181 dinars. The prescribed producer price of sugar is 128.20 dinars per kilogram. At that price producers lose 17.90 dinars for every kilogram they sell on the average. The loss per kilogram of sugar at the new sugar mills ranges from 45 to 53 dinars.

Exports of sugars were balanced at 100,000 tons for fiscal year 1985/86. However, the price of sugar on the international market is still far away from the domestic price, so that there is little interest in regular exports of sugar. That is, at the present export price of 176 S/t it would be possible to realize a dinar price of about 55 dinars per kilogram FOB the Yugoslav border, while the domestic producer's price of sugar is 128.20 dinars per kilogram. But still there is an interest in exporting sugar through compensation transactions in order to import other goods that would cover a part of the negative price difference.

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ECONOMY

INTERNATIONAL AFFAIRS

#### USE OF CONTAINERS IN TRANSPORTATION BY CEMA COUNTRIES

Bucharest REVISTA ECONOMICA in Romanian No 39, 27 Sep 85 pp 10, 11

[Article by Dumitru Petrovici, director of the Bureau for the Joint Use of Containers in International Traffic: "The System for the Joint Use of Containers"]

[Text] One of the means of increasing the efficiency of transportation is the use of containers, which ensures substantial reductions in the costs of the packaging of goods, the complex mechanization of loading and unloading operations, the transfer of goods from one means of transportation to another, the acceleration of the movement of goods and the preservation of the integrity of these goods during transport. The advantages of containerization are convincing both for the users of transport systems and for the railroads, truckers and shippers, with this system of transportation experiencing broad development both in our country and throughout the world.

There is special interest in containerized transport in foreign trade activities, keeping in mind the physical volume of the goods that must be moved under optimum conditions of integrity and quality over distances of thousands of kilometers, using different means of transportation. In order to have the most efficient use of containers in international traffic, Bulgaria, Czechoslovakia, Cuba, the GDR, Mongolia, Poland, Romania, Hungary and the USSR signed in 1974 the "Agreement Concerning the Joint Use of Containers in International Traffic" (the JUC Agreement), creating the Council for the Joint Use of Containers in International Traffic, whose executive working organ - the JUC Bureau - is headquartered in our country.

Below, we present the results obtained in the joint use of containers for foreign trade activities and the concerns regarding the development of this modern transport technique by all the signatory nations to the JUC Agreement on the basis of the experiences if more than a decade of fruitful cooperation.

Widespread throughout the world, containerization is a modern transport technology which permits the rapid forwarding of goods from the sender to the receiver, especially in the case of the combined transport of goods "from door-to-door," under optimum conditions of preserving the goods. The advantages of this technology lie in the rationalization of the goods transport process by way of reducing to a minimum the operations and costs of loading and unloading, creating conditions for the complex mechanization and automation of operations in all stages of the transport process.

The impetuous development of national economies - including transportation - explains the special importance that is given by the CEMA member nations to expanding this modern technology and improving the technical and organizational base of transportation using high capacity containers. In the Complex Program for the continued furthering and improvement of cooperation and development of socialist economic integration of the CEMA member nations, a program approved at the 25th CEMA meeting in Bucharest (1971), the following measures were outlined in this field:

- the introduction of a single container transport system among the CEMA member nations;
- scientific research in technical, technological, economic and organizational affairs directed towards the use of universal containers and the specialization of transport means of corresponding loading-unloading equipment;
- the creation of advanced forms of organizing container transport in international traffic.

In order to achieve these measures, in December 1971 (at Budapest), the CEMA member nations signed the Agreement for the Introduction of a Single Container Transport System, and adopted the Program for Implementing the Single Container Transport System. In accordance with this Program, on 29 June 1974 (in the city of Karl-Marx Stadt, GDR) they concluded the Separate Agreement Regarding the Joint Use of Containers (JUC) in International Traffic. The purpose of this agreement is the efficient use of high-capacity containers in international traffic, pursuing the reduction to a minimum in the movement of empty containers.

The agreement has as basic principles:

- the joint use of high-capacity containers, series I of the International Standards Organization, type C, with a gross weight of 20 tons (type A, B and D - of 30, 25 and 10 tons, respectively - can be jointly used on the basis of special, bi- or multilateral agreements among the interested parties);
- the parties retain their right of ownership of their containers;
- in addition to its containers, any party can use in its international traffic with the other parties or in its domestic traffic, those containers belonging to the other contracting parties;
- for those containers used by each party beyond the total number of containers held by each party, a user's fee will be paid.

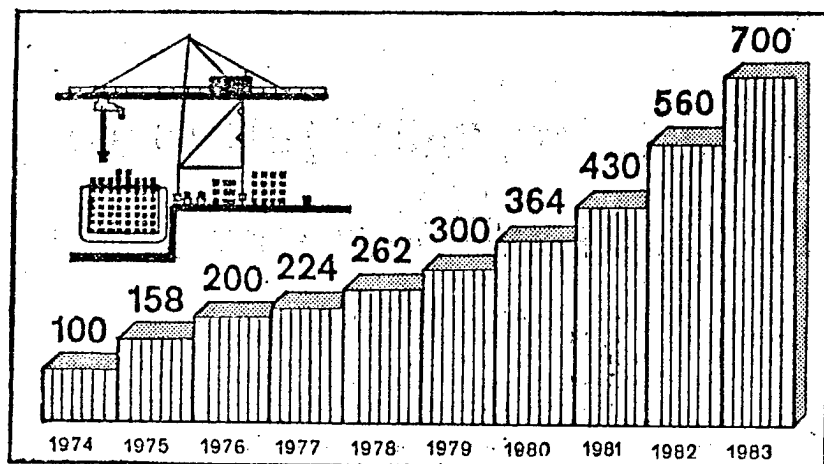
The coordination of all joint use container activities in international traffic is entrusted by the parties to the JUC Council, composed of empowered representatives of the ministry of transportation in each country participating in the Agreement and authorized to examine those problems related to implementation of the Agreement - referring principally to documentation, analysis, accounting, reporting and other problems concerning high-capacity containers in international,

rail, highway, sea, river and combined traffic - and to make decisions regarding them. The JUC Council has the JUC Bureau as its standing executive organ (with headquarters in Bucharest) - composed of specialists from the field of containerization in equal numbers from each of the countries participating in the Agreement, as well as technical personnel - with the task of resolving technical-organizational and current problems pointed out by the council.

The Council and the Bureau have carried out from the very beginning an intense activity to prepare and improve documentation that will concretely regulate the manner of joint container use in international traffic and operational problems. Thus, the JUC Regulation was drawn up, including the Instruction for Balancing the Number of Empty Containers, the Instruction Regarding the Means of Multilateral Accounting Between the Participating Countries Resulting from the Joint Use of Containers, and the Instruction for Regulating the Monthly Volume of Container Transportation, as well as responsibilities in the case of the failure to adhere to this. In accordance with the provisions of these regulations, the parties have designated their specialized organizations which are responsible for carrying out the provisions of the JUC Agreement.

At the same time, these countries have continued to take technical and organizational measures to develop a technical-material base for container transport. As a result, international container traffic between the participating countries has increased considerably. In 1983, it was seven times greater than in 1974 (see the graph below). After the new container use system went into effect, the

Growth in Container Traffic Between Countries Participating in the JUC Agreement (in percent)



movement of foreign trade goods via containers recorded substantial increases. The principal portion of goods transport via containers is held by rail traffic (77 percent), with the rest going to sea, river and combined traffic. In 1983, they accounted for 22, .8 and .2 percent, respectively. These data at the same

time also show the great reserves which still exist in the development of containerization through the more intensive use of these means of transportation.

The continued expansion of the joint use of containers has taken place in parallel with a powerful development of the technical-material base in the countries participating in the JUC Agreement. This has been confirmed by the growth in the number of terminals capable of handling 20 ft containers. In 1983, they numbered 90 percent more than in 1979. At the same time, there also was an increase in the number of points for forwarding containers between countries. In referring to the results that have been obtained, we can state that this has confirmed the forecasts of the participating countries on the occasion of drawing up the "Special Program for Long-Term Cooperation for the Development of Transportation Links in the CEMA Member Countries," approved at the 33d CEMA Session in 1979. We can note that in 1985 it is estimated that the volume of container transport will increase by approximately 2.5 times, and in 1990 by approximately 4 times compared to the 1980 level.

The practical results obtained by using the system of JUC in international traffic demonstrate that the purpose outlined by the JUC Agreement has been achieved. There has been a substantial reduction in the movement of empty containers. As is known, after unloading at their destination, containers must be sent back by the recipient to their owner. Only in sufficiently rare cases, when goods can be found for this owner, are the containers sent back loaded. Usually, 90 percent of the containers are sent back empty, which leads to significant economic losses. After implementation of the JUC Agreement, empty shipments fell to 10-15 percent, resulting in large savings in investments, fuel, energy and so forth.

The JUC Council has always given great attention to transit container traffic on the railways of the countries participating in the JUC Agreement. The concern stems, first of all, from the significant percentage held by rail traffic in the total volume of transportation. As a result of the efforts made in transit rail movements of the participating countries, in the vast majority of cases there has been success in transporting containers in timeframes much shorter than those that had been agreed upon. And, this leads, in turn, to the acceleration of the transport of foreign trade goods of the JUC Agreement member nations and the use of transportation with greater efficiency.

The good quantitative and qualitative results that have been obtained in container transport within the framework of the JUC system are the fruits of certain significant efforts made by the countries participating in the Agreement.

During the period covered, which has been characterized by an intense activity at all levels - organizational, financial, operational and technical -, the JUC Council has established cooperative relationships in those problems which are of mutual interest within the Council of Mutual Economic Cooperation and Assistance, especially with the Permanent CEMA Commission for Cooperation in the Field of Transportation, with the Council of Empowered Representatives of the Parties Participating in the Agreement concerning technical-scientific cooperation on the problem of the "Technical, Economic and Technological Bases of the Container

Transport System of the CEMA Member Nations for Domestic and International Traffic," with the Conference of Freight and Shipping Organizations, and with the Organization for Cooperation with the Railroads, as well as with the Conference of Shipping Organizations of the CEMA Member Nations.

These contacts pursue the achievement of a close correlation of cooperative actions which have as their purpose the development of containerization, the growth of the technical-material base, technical-scientific research and, especially, the intensification and growth in the efficiency of large-scale use of containers in international traffic using all the means of transportation. It is fitting to especially stress the support obtained by the JUC Council within the framework of its cooperation with the Permanent CEMA Commission for Cooperation in the Field of Transportation. As a result, in many cases solutions have been found that have contributed to stimulating activities in the field of containerization - and, without a doubt, in the future we can expect equally fruitful results.

The working plans of the JUC Council and Bureau are continuing to pursue the resolution of certain problems of great importance for the improvement and development of the joint use of containers in international traffic. Beginning with the experiences accumulated to date, priority is given to: improving the manner of balancing the container depots from one participating country to another, as well as the manner of regularizing the volume of container transport; reducing to a minimum the movement of empty containers; introducing computer techniques for processing data and accounts; and extending the JUC system to the maritime lines of the CEMA member countries in traffic with third party nations.

The positive results that have been obtained to date and the successful resolution of the problems facing the Council represent the key to the continued development of the JUC system in order to fully satisfy all the container transportation requirements for the goods of the national economies of the countries participating in the JUC Agreement and to fulfill the tasks for the complex development of mutual transportation links of the CEMA member nations, as established by the high-level Economic Conference of this organization.

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ECONOMY

INTERNATIONAL AFFAIRS

CEMA'S TASKS IN AGRICULTURE DISCUSSED

AU111011 Prague RUDE PRAVO in Czech 6 Dec 85 p 2

[CTK Report: "On CEMA's Tasks in Agriculture"]

[Text] Prague (CTK)--The 63d session of the CEMA standing commission for agriculture ended in Prague on Thursday [5 December]. The session was attended by delegations of the CEMA member-states, the SFRY, and the PDRY, headed by ministers or deputy ministers of agriculture and food. The Czechoslovak delegation was headed by Miroslav Toman, CSSR minister of agriculture and food.

At the end of their discussions, the participants adopted a communique from which it arises that the commission discussed, above all, tasks stemming from it from the resolutions of the 40th CEMA session, and the 115th and 116th sessions of the CEMA executive Committee. The commission further paid attention to issues connected with the resolution of the latest economic summit of the CEMA member-states.

The commission also discussed the proposals of the MPR aimed at improving and expanding that country's cooperation with the European CEMA member-states.

Considerable attention was given to the assessment of the main directions of research and development cooperation in agriculture and forestry for the 1986-90 period. A plan of the commission's activity for the 1986-90 period also was approved.

/12624

CSO: 2400/124

ECONOMY

INTERNATIONAL AFFAIRS

MOSCOW CORRESPONDENT PREVIEWS CEMA MEETING

LD170001 Prague Domestic Service in Czech 1730 GMT 16 Dec 85

[Moscow correspondent Stefan Simak Report]

[Text] Preparations for the extraordinary session of the CEMA culminated in Moscow today. The session, held at the level of premiers of socialist countries, will start tomorrow.

The highest levels of the CEMA will end the preparation and start practical implementation of the comprehensive program of research and development. This document, of an exceptional political and national economic importance, has been drafted by socialist countries in accordance with the conclusions of the economic conference of the council's member-countries at the highest level. Ladislav Supka, deputy CEMA secretary, speaking at a press conference in Moscow today, said that the draft program envisages uniting the efforts of socialist countries in solving decisive tasks of accelerating scientific-technical development. He singled out as important the fact that the program focused on the organization of cooperation to a maximum extent -- that is, from the research to the implementation in production of new equipment, technology and materials with the top world specifications.

Ladislav Supka appreciated the almost 18 months of work of five international teams of scientists and specialists who specified the program in individual tasks in five basic spheres -- its focal point is the development of electronics, comprehensive automation, the acceleration of development of nuclear power engineering, production of new materials and cooperation in the sphere of biotechnologies. The fulfillment of the program which by its importance will exceed the frontiers of this century, will contribute to the acceleration of economic and social development of each of the countries taking part, and the socialist community as a whole. The representative of the CEMA secretariat stressed the fact that the broadening of cooperation reflects the efforts of the council's member-countries to utilize the results of scientific-technical progress for peaceful purposes and proves their readiness to deepen broad international cooperation.

/12624

CSO: 2400/124

ECONOMY

INTERNATIONAL AFFAIRS

STROUGAL ADDRESSES MOSCOW RECEPTION ON CEMA RESULTS

LD182341 Prague Domestic Service in Czech 1730 GMT 18 Dec 85

[Excerpts] The 41st special CEMA session ended today in Moscow.

In honor of the participants of the 41st CEMA session, the Soviet Government held a reception this afternoon. Attending it was Mikhail Gorbachev, general secretary of the CPSU Central Committee, together with other officials from Soviet political and public life. Nikolay Ryzhkov, chairman of the Council of Ministers, expressed satisfaction with the results of the CEMA session, which will undoubtedly play an important role in the life of the whole socialist community.

Lubomir Strougal, Czechoslovak premier, replying on behalf of the participating delegations, stated that the drawing-up and approval of the program was carried out in an atmosphere of total identity of views. This is confirmation of the fact that in the coming period, science and technology will create the basis of the common effort aimed at raising the economic potential of the socialist community. We are all fully aware, comrade Strougal stressed, that the signing of this comprehensive program is only the start of the solution to our main tasks. The federal premier praised the initiative of the Soviet Union in speeding up preparations for the project, and the fact that Soviet organizations, with their huge economic, scientific, and technical potential, will be the guarantors for the fulfillment of the decisive part of the program.

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CSO: 2400/124

ECONOMY

INTERNATIONAL AFFAIRS

CSSR-ROMANIAN COOPERATION DETAILS OUTLINED

LD131518 Prague CTK in English 1322 GMT 13 Dec 85

[Text] Prague Dec 13 (CTK)--The purpose of the long-term program of economic and research and development cooperation between Czechoslovakia and Romania up to the year 2000 is to develop mutually advantageous relations, increase the effectiveness of the national economies of both countries and raise the living standard of their peoples, said the document signed in Bucharest yesterday by Communist Party leaders and Presidents Gustav Husak and Nicolae Ceausescu.

Cooperation in science and technology will be focused on the improvement and development of technologies for higher utilization of energy resources, development of machinery and equipment for the mining industry and agriculture, and development of industrial robots, manipulators, and microprocessors. The program also envisages cooperation in rational use of agricultural land and in reducing adverse effects in forestry and water management. The program stresses the role of research and development as the decisive factor of intensive development of material production.

Czechoslovakia and Romania agreed on cooperation in geological prospecting, raw materials extraction and processing, use of interior coal and development of new energy resources.

They will extend their cooperation in the engineering, electrical engineering and electronics industries, especially in numerical control systems for machine tools, and equipment for electronics, microelectronics and telecommunications.

There will be also cooperation in optoelectronics, measuring and control devices, consumer electronics, and in the chemical and petrochemical industries -- polyisoprene rubber, drugs, organic dyes, additives, fertilizers etc.

Cooperation will be expanded in light and woodprocessing industries, the construction sector, transport and telecommunications, agriculture and the food industry.

Czechoslovak-Romanian trade will continue to increase in 1986-1990, and products made under agreements on industrial cooperation and specialization will be raised to 40-50 percent of the total.

/12624  
CSO: 2400/124

3 February 1986

## ECONOMY

## INTERNATIONAL AFFAIRS

## BRIEFS

CEMA SESSION CONTINUES--The session of the CEMA Standing Commission for Agriculture continued in plenary meeting today. The participants discussed relations with world organizations, the state of forests in the member countries of the council, and they assessed the state of food supplies in the individual states. In the afternoon, the members of the delegations visited top rated Czechoslovak agricultural enterprises: The united agricultural cooperatives Potehy and Suchdol in Kutna Hora District where they were acquainted with modern technologies in animal and plant production. They were interested in the implementation of research and development in broad agricultural practice, in cooperation among individual enterprises and in the adoption of the experiences of the other countries of the council in our agriculture. [Text] [Prague Domestic Service in Czech and Slovak 1300 GMT 4 Dec 85 LD] 12624

USSR'S RYZHKOV MEETS STROUGAL--Lubomir Strougal, the Czechoslovak Federal Premier, was received by Nikolay Ryzhkov today in the Kremlin in Moscow. In a cordial and comradely atmosphere, the officials briefed each other on preparations for the 27th CPSU Congress and the 17th CPCZ Congress, and on the state and development of Soviet-Czechoslovak relations. They also discussed matters of the further development and strengthening of mutually advantageous economic cooperation between both countries. In this connection they stressed the great importance of the consistent implementation of the program of long-term economic, research and development cooperation between Czechoslovakia and the Soviet Union for the period up to the year 2000. They noted that increasing the effectiveness of Soviet-Czechoslovak cooperation would promote the successful fulfillment of socialist construction tasks and the speeding-up of the social and economic development of both countries. The Czechoslovak delegation headed by Lubomir Strougal today returned home to Prague from Moscow. [Text] [Prague Domestic Service in Czech 2030 GMT 18 Dec 85 LD] 12624

CSO: 2400/124

ECONOMY

HUNGARY

#### ECONOMIC TIES WITH CUBA DESCRIBED

Budapest FIGYELO in Hungarian No 50, 12 Dec 85 p 15

[Article by Karoly Fekete: "Hungarian-Cuban Economic Ties"]

[Excerpt] Before 1959 there were practically no economic ties between Hungary and Cuba. Following the revolution, economic cooperation between the two countries has grown year by year. This development has been particularly dynamic since 1972. The first long-range goods exchange agreement between the two countries was signed in 1976. This was an important step in the expansion of our foreign trade and new forms of cooperation have been developed.

A new bus assembly plant was built in Guanajay where 500 buses were assembled between 1976 and 1980 and 3,000 between 1981 and 1985. Ikarus provides consultation on the assembly, and other Hungarian companies (BKV, Volan) give consultation on the operation of these buses that play a basic role in the modernization of Cuban public transportation. The shipment of bus parts remains the most important item of Hungarian export, and the goal is the gradual increase of shipments to Cuba.

Hungarian companies also ship various studio equipment and language laboratories and our experts participate in the program development for Cuban radio and television. Our participation is significant in the Cuban nickel program as well. In exchange for the Hungarian credit provided for building a nickel plant in Las Camariocas we will receive finished product (processed nickel) starting in 1986.

Aiding the citrus program, we have been shipping numerous pieces of agricultural machinery, irrigation equipment, plastic products, various types of herbicides and plant protecting agents and machinery to produce them.

Training cooperation has expanded in previous years as well. The number of Hungarian students on scholarship who work in Cuba has increased and along with Cuban college students studying in Hungary, there are approximately 1,500 Cuban workers training in the various branches of the Hungarian light industry--mainly in the textile and printing industries--and in health care. Cooperation in science and technology is continuing; the exchange of experts is still intensive.

Hungarian-Cuban foreign trade developed very dynamically between 1980 and 1984.

On the average of the past 5 years, Cuba took the 20-28th place in Hungarian export, and its significance jumped in 1982-83. In the area of imports Cuba's position is somewhat more modest than in that of exports; in general, it occupies the 30-32nd place, but in some years (for instance, in 1981) it proved to be a far more important exporter, taking the 21st position.

Machinery plays the dominant role in the product structure of Hungarian export, the lion's share is taken by the bus program. While the ratio of industrial consumer goods has diminished, the importance of material and food stuffs in the export has grown.

The two basic items in Cuban shipments are sugar and citrus products, although the importance of material and consumer goods has rapidly grown. The change in the ratio signifies an improvement in the product selection of Cuban export.

Figuring the value of Hungarian export in current prices, it grew by nearly 34 percent over last year's level, reaching 140 million rubles. In our export--particularly due to the expansion of bus assembly plants--the shipments of spare parts and means of transportation have increased. Their significance will be high in the future as well.

The export of consumer goods has been on a steady decline since 1982. In this category last year's export did not reach 75 percent of the export value from 2 years ago. At the same time, however, our machine export in vacuum technology has increased and our export of information technology has reached its highest level so far.

Our import has grown considerably as well, showing an increase of 50 percent compared to 1983. If we look at the nontraditional items of import we find that the growth in the shipments of exotic fruits and certain consumer goods are particularly striking. Cuban oranges and grapefruits have become a staple in domestic supply, and the value of their import has almost doubled in 1984. The import of spirits (rum) and tobacco has increased similarly.

The dynamic growth in the past 5 years of consumer goods has not continued, and this signifies the difficulties of further diversifying the import structure. This is also an unfavorable development from the point of view of lessening the troubles of counterbalancing the Hungarian export.

The different climatic and geographic conditions as well as the differences in the economic structures of the two countries provide good potential conditions for the further dynamic development of economic ties between the two countries, and we are presented with several opportunities.

Table 1. Hungary's Foreign Trade With Cuba (in current prices, in million rubles)\*

	<u>Export</u>	<u>Import</u>
1980	53.8	30.3
1981	65.6	93.3
1982	101.0	84.8
1983	105.5	20.0
1984	141.6	33.8
1984/1980 (%)	263.2	111.6

\*Annual Reports on Foreign Trade by Central Bureau of Statistics

Table 2. Structure of Hungarian-Cuban Trade of Goods (percentage)

	<u>1980</u>		<u>1984</u>	
	<u>Export</u>	<u>Import</u>	<u>Export</u>	<u>Import</u>
Materials and semifinished products	11.4	9.5	15.4	16.2
Machinery and investment items	47.9	--	48.5	--
Consumer goods	21.1	1.1	10.9	4.6
Food stuffs	19.6	89.4	25.9	79.2
	100.0	100.0	100.0	100.0

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ECONOMY

HUNGARY

# COMPREHENSIVE TAX REFORM HELD ESSENTIAL

Budapest FIGYELO in Hungarian No 48, 28 Nov 85 p 7

[Article by Sandor Kopatsy under the "Debate" rubric: "A Comprehensive Tax Reform"]

[Text] No open economy can afford to impose on its industrial enterprises a tax burden several times heavier than what their competitors are bearing. We must put an end to the situation under which the profitability of the enterprises or of their products depends basically on the nature of the relations with the state budget, on the net balance of the payments to the state budget and of the subsidies from it. Market forces, or the profit incentive, likewise cannot function in accordance with the interests of society if widely differing relations with the state budget rule out in advance the comparability of the enterprises' profitability. It is therefore high time for a comprehensive tax reform.

So far as the tax reform's individual elements are concerned, also the consensus of professional circles is leaning increasingly toward the need to tax personal or family incomes progressively. (See Deputy Finance Minister Laszlo Bekesi's statement in FIGYELO, No 45, 1985.) Only such a tax would prove suitable to resolve the contradiction that exists between the stimulation of income differentiation on the one hand, and the income leveling that is deemed necessary on the other hand. It will be expedient to introduce the progressive income tax gradually. Namely, incomes from employment are not differentiated sufficiently at present, and therefore several years would have to elapse from the introduction of the tax until income differentiation, and the progression of the tax that levels incomes, can satisfy the requirements placed on them. But there already are outstandingly high incomes whose progressive taxation is timely. And there is also the frequently raised argument against the progressive income tax that its collection would involve too much work and require a large machinery. But this is not a valid argument against the progressive income tax, because public administration's reporting requirements already necessitate a huge amount of recordkeeping, by the enterprises and central-agency staffs as well. And yet we cannot fault the central agencies.

As to how much work the administration of this tax involves, it should be noted that stricter penalties for tax fraud would make control of compliance that much easier. Just as in the case of traffic violations, the emphasis is not on detailed checks, but on deterrence.

As an unavoidable requirement that will have to be met, the first task in the course of restructuring the tax system must be to raise the consumer price level by at least 20 to 25 percent, by introducing a value added tax or raising the turnover tax. Nominal incomes from employment, pensions and family allowances would have to be raised at the same rate as this tax. Thus a significant proportion of this tax would fall on taxpayers with incomes not derived from employment.

It is indisputable that also the free-market prices of products would rise commensurately with the increase of the turnover tax or, preferably, with the introduction of a value added tax. Thus the relative income from household plots or ancillary farms would not decline. But a value added tax would have the advantage that also this type of production would be paying tax on its purchases, and only the net output would be tax exempt.

In all likelihood, pay for work performed outside regular employment would also increase, but probably not by the full amount of the tax burden.

Namely, the pay a person earns by doing other work in his spare time has not much in common with the costs of manpower replacement. The pay for such work is determined primarily by the conditions of supply and demand. Even up to now, in other words, the pay for such work has risen not because of rising consumer prices, but because the higher living standard has generated an ever greater personal demand, but there has not been enough capacity to supply it.

In addition to its other effects, the turnover tax--respectively the introduction of a value added tax--would thus slightly reduce the relative lag of incomes from employment.

The importance of a value added tax would be the greater because it would eliminate the anomaly that the single-level price system creates in conjunction with the uniform exchange rate. All the developed capitalist countries employ uniform exchange rates, but their export prices do not include VAT because it is refunded to the exporters. In all likelihood the new tax would alter first the undervaluation of the "tourist forint" or consumer forint in relation to the convertible currencies, but eventually it would probably offer advantages for exporters as well.

For all these reasons I recommend the introduction of a value added tax, and soon moreover, even before the introduction of a comprehensive tax reform. Because the latter requires very thorough preparations, including price and wage reforms.

Finally, a property tax is the third recommended form of taxation. What warrants the introduction of this tax? The fact that at present we are taxing operating capital--i.e., personal productive investments--but there is hardly any tax on real estate. This is in conflict with society's interests, because it is not advantageous for society when cash savings earn substantially less than investments in real estate. (Of course, people will choose nonproductive capital formation not only because it, too, is taxed, but also because real estate is an excellent store of value. And that is a compelling argument.)

With the introduction of a property tax we ought to achieve that it will be the source of a larger share of the local councils' total revenue. The local councils would be the agencies that administer this tax, and thus its rates could vary in accordance with local requirements.

The value of real estate on the territory of a local council is more comprehensive than any other indicator, and it better reflects also the council's revenue needed to cover its expenditure. The standard practice in many countries is to classify the settlements into grades, and then to give them grants on the basis of standards uniformly applicable to the individual grades. But while classification into grades is subjective and the grade limits are rigid, the value of real estate would be an objective yardstick that could be changed flexibly.

I attach great importance also to the fact that the local councils would be administering the property tax. As a result, not only would local residents feel that a part of the collected tax is theirs and thus have an incentive to collect it, but they would also have an interest in spending the raised revenue prudently, and in public control of their local council's expenditures.

Under the new tax system, then, the main source of revenue would be the turnover tax or value added tax for the megye councils, respectively the property tax for the local councils. The fact that the value added tax flows into the megye councils' budgets would give the megye councils a greater incentive to organize trade services for the population more efficiently.

In conclusion, a few words about which taxes would be abolished or reduced. The enterprises' profit tax will have to be reduced so that it--together with the pay-raise tax whose retention for a time would be unavoidable--does not exceed 40 percent of profit. The higher the pay-raise tax, the lower would be the linear profit tax. Once the pay-raise tax is abolished, it will be expedient to set the rate of the profit tax at about 40 percent.

The price subsidies for raw materials imported from CEMA markets ought to be handled as allocations to a CEMA export fund, which could be used to underwrite international agreements. Only the net balance of this fund would be reflected in the state budget. The municipal and community development contributions ought to be abolished. Residents, and not the enterprises, should pay for the expenditures of the local budgetary agencies.

As I have already indicated, the workers ought to pay the wage-commensurate charges, while the Trade Union Social Insurance Center and the pension fund ought to be amalgamated into a separate agency. The state budget would cover the social insurance costs of only those beneficiaries whose entitlement is not based on employment. This way people would be more aware of the costs of their social benefits. Under the new tax system, the pension system would also have to be reformed considerably. The pension system can be managed as a fund only when there is an economic relationship between the pension contributions paid in, and the foreseeable amount of pensions paid out. People tend to disregard that their pension contributions are relatively small, but they are quick to protest when the real value of their pensions declines. We must end the situation under which workers are unable to provide suitable pensions for

themselves even when they would be willing to bear the financial burden of this coverage. The practice ought to be discontinued under which the amount of a worker's pension depends primarily on manipulating the amount of his income in the last few years before retirement.

All things considered, it would be expedient to reduce the enterprise sector's tax burden by one order of magnitude. That way the producer price level would decline relative to the consumer prices, workers would be paid gross wages, and their taxes would account for an overwhelming share of the state budget's revenue.

Another task of vital importance is to create order regarding authority to levy taxes. Only the National Assembly would have authority to levy a national tax, and it could allow exceptions to this rule when it adopts the annual state budget. An integral part of the new tax system would be also the rule that significant tax changes must be announced several years in advance and may be introduced only gradually. Namely, the profit incentive and the mechanism for the movement of capital are practically meaningless when profitability changes from year to year primarily because the agencies concerned modify the enterprises' obligations toward the state budget, respectively the amounts of the subsidies that can be expected from the state budget. As long as this is so, profitability will depend much more on the unforeseeable changes in the enterprises' relations with the state budget, rather than on changes in performance.

1014

CSO: 2500/119

ECONOMY

HUNGARY

#### MORE MIXED TRADING FIRMS ESTABLISHED

Budapest FIGYELO in Hungarian No 48, 28 Nov 85 p 9

[Report by E.M. under the "We Just Heard" rubric: "From Dr Peter Dobrovits, Director General of Chemolimpex: We Are Modernizing Our Organization by Founding Enterprises"]

[Text] Chemolimpex and the Borsod Chemical Combine have formed a joint foreign-trade enterprise, with fifty-fifty equity. Called Ongro-Chem, the new enterprise will start operation on 1 January 1986. Its task will be to aid the export of the Borsod Chemical Combine's plastics--mainly PVC powders, and the semifinished and finished products made from them--and also to procure abroad the chemicals necessary for this export.

This is our third domestic joint foreign-trade enterprise. Grabo-Chem (in which Graboplast is our partner) and Chemo-Caola (formed in partnership with the Caola Cosmetics and Household Chemicals Industry Enterprise) began operation this year. This year's export volumes of the items that these enterprises are marketing will surpass the export volumes in recent years, due at least in part to the support and services that Chemolimpex, one of the parent enterprises, is providing.

Grabo-Chem's ruble-denominated export of man-made leather this year will be about 21 or 22 million rubles; and its nonruble-denominated export, about 12 million dollars. The corresponding export figures for Chemo-Caola cosmetics will be, respectively, 5.5 million rubles and 2.0 million dollars.

We have formed a joint enterprise also in France, called Chemol-France. Our partner, again with fifty-fifty equity, is Litwin-ACP (its parent, incidentally, is an American corporation). Our objective is to have Chemol-France operate in France and in the French-speaking developing countries. Sales this year, the first year of operation, are expected to exceed 150 million francs.

With Chemol-France, the number of our foreign business interests has increased to four. Our enterprises in Britain, the Federal Republic of Germany, and Austria are virtual trading companies rather than mere agencies, and our partners in each case are prominent large local firms. Our business interest in Frankfurt has an annual turnover of about 220 million West German marks; the one in Austria, about 1.0 billion schillings; and the one in London, about 20 million pounds sterling.

We have begun to establish joint enterprises, with foreign capital participation, also at home. Kemipur will start production in its Solymar factory in the first quarter of next year. Our partners in this venture are PEMU and BASF. In the first stage, Kemipur will be producing polyurethane foam systems. BASF has indicated its willingness to proceed further in cooperation if its expectations regarding Kemipur are realized. We have also signed a letter of intent with representatives of Nitrokemia and Dow Chemical, concerning the establishment of yet another joint enterprise in Hungary.

We believe that for us the gradual expansion of our enterprise's organization, with the establishment of such joint enterprises and ventures at home and abroad, is the way of the future. We plan to become a large enterprise--we might call it a holding company--by 1990, with numerous joint enterprises at home and abroad, and perhaps entirely independent subsidiaries. Through them we will be maintaining direct relations with everyone, from producer to user. In this we intend to assign a key role to Chemolimpex's strong functional organization (forwarding, international advertising, etc.) that will provide a wide range of services for the business interests around us.

1014

CSO: 2500/119

ECONOMY

POLAND

MESSNER ADDRESS AT MOSCOW CEMA SESSION

Warsaw RZECZPOSPOLITA in Polish 18 Dec 85 p 2

[Speech by Premier Zbigniew Messner at the 41st Extraordinary CEMA Session]

[Text] We fully approve the draft Comprehensive Program for Scientific and Technological Progress Until the Year 2000 and the submitted draft resolution. Poland will do whatever is necessary to put the agreements articulated in these papers into practice.

The program's approval by the member countries closes one stage in constructive cooperation to implement the decisions made at the Moscow summit.

The overriding purpose of these actions is to bring about a qualitative breakthrough in the development of the socialist economy, raising people's living standards, and strengthening our countries' international prestige and defense capabilities.

The rivalry between the two political systems, with which socialism has had to live ever since its inception, has become dangerously tough in recent years.

While the Geneva meeting of CPSU CC General Secretary Mikhail Gorbachev with President Ronald Reagan revived the hopes of nations for a peaceful regulation of problems and a lessening of the military threat, the race for superiority in science and technology, which is the main area of rivalry today, is continuing and growing. Advanced capitalist countries continue to attempt to diminish the flow of technology worldwide and to use the leverage of technology--as well as the economic weapon--for political purposes.

This could be seen, for instance, during the recent Paris session of Cocom, which discussed even stricter controls of technology sales to socialist countries.

In this situation, the only possible response from the socialist countries must be to join their research and development potentials in order to hold their place in international rivalry and to take the initiative into their own hands. This is a historic task.

As the first secretary of the PZPR CC and Council of State chairman, General Wojciech Jaruzelski, said at the close of the Moscow summit, "in the face of the challenge and the discrimination, this is more necessary than ever before."

Poland is particularly interested in participating in the research areas the program names. These include the following:

--First, electronics, electric appliances, communications, computer equipment, all of which, and this is particularly true of microprocessors, change people's lives and work completely.

--Second, automation and robotization of production processes, along with efficient equipment permitting low material and energy consumption and high productivity rates and product quality.

--Third, efficient food production techniques, in particular biotechnology processes and loss-preventing methods of work in agriculture and food processing.

--Fourth, the generation industry, in particular nuclear power generation along with its multiple applications.

--Fifth, production of new construction materials and materials of special chemical and physical properties.

Our interest in these areas was expressed by our declaration that Polish organizations are willing to take up the function of coordinator for a number of research topics and jobs. The priority topics named in the program tally with the top tasks named in Poland's socioeconomic plan. The topics we are going to work on jointly with the fraternal countries will be among the chief criteria for drafting our national plan for scientific and technological progress in 1986-1990. Virtually all topics named in the program will be envisaged in the system of Poland's central R&D plans and government orders for the production of selected goods, which are supervised by government agencies.

To ensure their implementation it is necessary to provide adequate economic and organizational conditions for the development of science and technology. Expenditure on R&D will be increased. The share of R&D expenditure in the 1986-1990 draft plans's spending figure will be increased by 30 percent as will be a special fund for science and technology which is designed to finance selected R&D projects, applications of new products and processes, and purchases of necessary foreign-made research equipment and materials. We are devising financial mechanisms compelling enterprises to assign a large portion of their profits for development. Tax breaks, preferential treatment of applications for production materials, and strongly motivating wage systems will be used as incentives for enterprises. Among other moves, we intend to introduce a similar wage system for R&D organizations, in which the wage fund and bonuses based on applications of research will be dependent on the effects and intensity of innovative work.



As of the beginning of the new 5-year plan period, a new system of control of scientific and technological progress will be introduced early next year.

A Committee for Scientific and Technological Progress was created along with its executive branch, the Office for New Technology. These agencies have the duty of mapping out a strategy for new technology applications and of designing policies in this area.

In work on providing better conditions for scientific and technological progress in Poland we intend to take advantage of experience made both by CEMA countries and other nations. For instance, we will rely on the experience of what are called engineering centers which were recently created in the Soviet Union as a new form of rapid design and application of new technology. All these actions should enable Poland to speed up considerably the rate of research and practical application and hence strengthen the status of Poland as a participant in the Comprehensive Program.

But drawing up a program, even the best one, is only a first step. How successful we will be in implementing it and reaching our goals will largely depend on efficient work organization and adequate cooperation throughout the process from design through to industrial applications.

Our community of nations has a powerful intellectual potential at its disposal. The share of R&D in total national spending has been growing steadily. However, the effects are too small in comparison with the efforts made. This is probably due to the still inadequate utilization of possibilities for cooperation, insufficient coordination of research undertakings, and the repetition of the same type of research in different countries, along with a failure to cooperate in the production of special apparatus, and insufficient exchange of information and licenses.

Life itself compels us to step up cooperation, to seek unconventional methods. The initiative to speed up work on this Comprehensive Program, which was originally scheduled for approval in mid-1986, is a good illustration of an innovative approach.

What seemed impossible to push through within so brief a period of time, has now become fact. The tasks and deadlines set in the draft resolution submitted here are tough, but they have to be kept, if we are to succeed.

Another illustration of rapid efficient action is the drafting of three implementation agreements stipulated in the program, which are about to be signed. They concern the conception and implementation of automatic design systems, uniform fiber-optical information transmission appliances, and the creation of Interrobot, a joint organization of the community. Thus, the Comprehensive Program began to be implemented the moment it was approved. It is to be hoped that a good rate of work will also be kept up in the future.

Research work, especially such that comprises the full cycle of design through development to industrial application, is very costly. Huge funds are necessary. All of us are short of funds, while the number and volume of economic

tasks facing us is enormous. The need to stand up to the technological challenge determines all other tasks. Funds for research simply have to be provided, even if this requires the postponement of other tasks the economy is facing.

In order to create optimal conditions for implementing the Comprehensive Program, the Polish delegation has proposed to base the financing of research not only on each country's own funds or on credits supplied by the CEMA's international banks but also on special funds the interested countries can jointly create.

We are of the view that it is more than ever necessary for our scientists and specialists to join forces, to develop new forms of direct cooperation between individual research organizations and industrial plants and to create joint research centers, design offices, etc. Such new organizations should be supplied, like national research centers, institutions and design offices, with all indispensable state-of-the-art equipment, know-how and licenses, and they should be able to quickly exchange whatever subassemblies, apparatus or new technology they hold. An efficient information exchange system on progress made in science and technology will also be of great significance. We attach particular importance to joint ventures and to the creation of joint enterprises, for we regard such moves as important factors stimulating the efficient utilization of our common research endeavors.

I am gratified to say that in discussing the Comprehensive Program we have reached unanimity. This is proof of our economic community's coherence and our commitment to the idea of economic integration. Our success is based on our ideological and political unity, our defense community, our cooperation within the steadily growing economic potential, on our alliance and friendship.

Today we are making a decision which will be of great significance for our community's future, for the prosperity of our nations. The daunting task we are facing is too enormous for any individual nation to handle successfully alone. We have got to join our material and intellectual potentials. This will only be possible if we adopt an innovative approach and shed traditional cooperation models wherever these hamper or hinder this huge task. Only such an approach can help us to succeed, to stand up to the challenge of modern life.

/9365

CSO: 2020/61

3 February 1986

ECONOMY

POLAND

## SEJM TO PREPARE CANDIDATE LIST FOR SOCIOPOLITICAL COUNCIL

Warsaw TRYBUNA LUDU in Polish 10 Dec 85 p 3

[Excerpts] The Sejm Presidium has passed implementing decisions connected with the Sejm resolution on the establishment of the Sociopolitical Council, a consultative body at the Sejm.

The concept of the present council, outlined in the resolution, closely corresponds to that of the previous council, especially as regards its tasks and composition. The council is to pass its opinion on matters submitted to it by the Sejm, the Sejm Presidium and Sejm commissions; it may also examine some matters on its own initiative.

A new stipulation provides the possibility for council representatives to take the floor at meetings of Sejm commissions.

As before, the council will be made up of representatives of state-owned enterprises and state farms, cooperatives, farmers' organizations, private traders, professional associations, and youth organizations.

Members of the Sejm are not eligible. On the other hand, the council's chairman is a Sejm deputy. On 12 November, the Sejm entrusted this duty to Deputy Speaker Mieczyslaw Rakowski.

The Sejm Presidium decided that the council will have 230 members.

The principles of nominating candidates for the council have been altered. Previously, the Sejm Presidium named the enterprises and organizations which were to supply candidates for the council. Now this will be done by the presidiums of the voivodship people's councils, whereas the Sejm Presidium will merely nominate the national organizations which will be asked to provide candidates.

On the basis of the nominations, the Sejm Presidium will prepare a final list of candidates for the council's members and submit it to the Sejm for approval.

The deadline for submitting nominations is 15 January 1986.

/9365

CSO: 2020/61

ECONOMY

POLAND

# MINISTERS DISCUSS WINTER COAL SUPPLY MEASURES

Warsaw RZECZPOSPOLITA in Polish 12 Dec 85 p 1

[Excerpts] On 11 December, deputy voivods and economic secretaries from PZPR Voivodship Committees met to discuss measures to ensure the smooth worth of the national economy during the winter which, according to forecasts, will be long and cold.

Introduction speeches were delivered by Jerzy Wozniak, the minister for material resources and fuels; Jozef Niewiadomski, the minister of construction, town and country planning and municipal economy; Janusz Kaminski, the minister of transport; and Jan Witkowski, deputy chairman of the Samopomoc Chlopska Co-operatives Union.

Coal supply will be the number one problem for the national economy in the months to come. Despite strenuous efforts, including work on Saturdays, miners will not be able to increase coal production beyond the figure provided for in the 1985 Central Annual Plan. Even if all reserves are used, coal supply will fall half a million tons short of the demand. The targets set by the savings program have been carried out inadequately so that the supply of coal in the first quarter of 1986 is expected to be 2.3 million tons short of the domestic needs. Under these circumstances, coal reserves for power generating, heat engineering, and industry are diminishing fast. Coal shortages are most acute in the countryside; despite additional supplies of lump coal, fine coal, and lignite, most fuel stores in rural areas are empty. In addition to this, inspections made recently by local energy management inspectorates revealed that most enterprises use energy and fuels too generously and inefficiently.

The situation in the power industry is also very difficult. Coal reserves are shrinking alarmingly and power consumption in peak hours is close to power stations' maximum capacity.

In view of the serious problems with meeting the demand for energy and fuels in the next months, it is essential to take effective measures to save, in order to avoid disturbances in industrial production and in the health service, schools, etc. With the present level of fuel supplies this will be possible provided these are distributed fairly.

Participants at the meeting just forward many suggestions regarding the consumption of the various fuels. Speakers pointed to the need to modernize boilers and adjust them to be powered by fuels which are more easily available. There was a discussion on the present system of heating one-family houses as small boiler rooms are uneconomical. Speakers pointed out that energy and fuel saving programs should be implemented already at the designing stage. Many speakers wondered whether the program to reduce the temperature of central heating and water heating in blocks of flats is not going to bring about a reverse effect, which would be higher gas and electricity consumption.

Deputy Premier Zbigniew Szalajda recalled the energy problems which surfaced during last winter. The delays that accumulated in the first quarter of the year have never been made up. The effects of reduced industrial output, in particular in metallurgy and heavy chemistry, have been felt by the entire economy and they affected the annual performance figures. It is estimated that instead of the planned 4.5 percent growth in industrial output a growth of between 3 percent and 3.5 percent will be obtained.

Although some positive tendencies were recorded in the national economy of 1985 which created good foundations for the 1986 planning and for planning for the period 1986-1990 there are still many unsolved problems which will be faced by the national economy in 1986 also. Hence the government's efforts to resolve the most urgent questions which include: modifying the economic and financial system with an eye to enhancing its pro-export character and increasing the interdependence between pay and productivity and also, streamlining the pricing policy.

Deputy Premier Szalajda stressed that Poland can definitely survive the coming winter without incurring new delays. The available resources of fuels will make it possible, provided they are used economically.

/9365

CSO: 2020/61

ECONOMY

POLAND

#### GDANSK SHIPYARD TO BUILD TIMBER SHIPS FOR USSR

Szczecin GLOS SZCZECINSKI in Polish 10 Dec 85 p 1

[Text] The Lenin shipyard in Gdansk will construct 14 timber carriers capable of carrying 7,700 tons each for a Soviet shipping company. The vessels are designed to carry timber, containers, and bulk cargo in any sailing region, particularly in the Arctic.

The contract for the delivery of timber carriers which was recently signed by the Centromor foreign trade company and the Soviet V/O Suqoimport firm implements a Polish-Soviet intergovernmental agreement on cooperation in the shipping industry and mutual deliveries of ships, ship equipment, and machinery in 1986-1990. The agreement means that deliveries of Polish ships to the Soviet Union will almost triple in the next 5 years in comparison to the current 5-year period.

Jerzy Hinz, Centromor's director of the office for ships, said: "Next year, we will start deliveries of Shelf ships, which are more complex and modern than those currently manufactured in our shipyards. These vessels are adapted to conduct geological surveys of the sea bottom at a depth of 200 m and in shallow waters. Deliveries of these ships will open a new stage of cooperation between Poland's and the Soviet Union's shipping industries." Director Hinz emphasized that the contracts signed with Soviet partner guarantee full order books for our shipyards, enabling them to use their entire production potential. This is particularly significant during the crisis which the shipping industry is experiencing all over the world.

When the contract was signed, Sudoimport's deputy director Vladimir Zvagintsev emphasized that the ships which will in coming years be constructed for the Soviet Union in Polish shipyards are modern and match the highest technological standards. This is understandable, as they will still be sailing in the 21st century.

/9365

CSO: 2020/61

ECONOMY

POLAND

# IRON AND STEEL INDUSTRIES MERGER PLAN DEBATED

Warsaw ZYCIE GOSPODARCZE in Polish 10 Nov 85

[Article by Slawomir Lipinski: "Steel Industry Integration: Two Approaches"]

[Excerpts] During the discussion, still before the vote, the directors of both steelworks pleaded those present to remember about the consequences of staying outside the Amalgamated Corporation of Iron and Steel Producers. It was the first time that worker council members saw their bosses reacting so emotionally.

The results were as follows:

--the Worker Council of the Huta Bierut steelworks in Czestochowa--19 against the entry into the Corporation, 2 for, 5 abstaining;

--the Worker Council of the Huta Batory steelworks in Chorzow--nine for the entry but on condition that the founding documents will be adjusted to comply with the provisions of laws on state enterprise and worker self-management; three against, one abstaining.

Resolutions were passed and their texts sent to the minister, but discussions at the steelworks are still going on.

I am told by Worker Council members at Huta Beirut: "The decisions concerning our attitude towards the corporation are probably the most important of all decisions that worker councils of steel industry enterprises have ever had to take. They will have serious consequences not only for our mills or the iron/steel industry, but also for the national economy as a whole. So why were we given little time to do our sums and decide? And, more important, why the establishment of the corporation was not preceded by an in-depth discussion with the participation of experts?"

At Huta Batory, they say: "The ministerial explanation for this helter-skelter was that the existence of our association ends this year, but just look into the documents--the agreement of association expires only at the end of next year."

They did not know that along with the proposal to set up the corporation the minister of metallurgical and engineering industries asked for the dissolution of the present mandatory association.

Why did some worker councils say no to the ministry (e.g. Huta Bierut) while other ones agreed (e.g., Huta Batory)? To be more precise Huta Batory people say that their consent--just as that of many other steelworks--is not unconditional. Their answer was "yes, but-," they say.

#### Two Commissions

After receiving the statute and the foundation document of the corporation--in the materials available to the mills, the word "draft" was not mentioned at all--the Worker Council of Huta Bierut appointed two commissions to pass opinions on the proposed entry to the new organization. The first commission, composed of the steelworks' administrative staff, recommended unambiguously to join the corporation, listing in its opinion the probable benefits of closer integration. But an analysis of the concrete form of this integration, the corporation, was absent.

Such analysis was provided by the other commission, comprising self-management activists. It began from analyzing the coherence of the proposed documents with the laws now in force--and it found that some provisions do not comply. But in the opinion of the commission, this very fact did not disqualify in itself the new organization.

The commission asked two questions:

--Will the corporation--in such form as envisioned by the ministry--help increase the efficiency of individual enterprises and the sector as a whole?

--Will its design guarantee the maintenance of the most socialist feature of the economic system, namely the participation of the working people in the running of the enterprise?

The analysis of the proposed statute and foundation document brought two negative answers. The fathers of the corporation did not present even a modicum of economic calculus that would prove the superiority of the new organization. And it is logical that the curtailment of enterprise autonomy and self-financing opportunities will lead to the elimination of economic coercion and of the reform's pressure on efficiency.

The return to the practice of neglecting economic considerations would be eased by the fact that the corporation--a perfect monopoly--would command a powerful muscle in relations with other units and state bodies. The design of the organization, the commission went on, shows that its purpose is not to improve the efficiency of the sector but to open the way for elements of the command-and-quota system of management. That [the authorities] have not yet learned how to control enterprises through economic methods is no justification, the commission opined.



At a Worker Council session, it was also pointed out that the unavoidable weakening of worker self-management in the corporation would be instrumental in bringing back the old methods of management, and would hardly stimulate workfloor initiatives.

## Two Arguments

The reservations expressed by self-management people from Huta Bierut--mostly of legal nature--are shared by their colleagues from Huta Batory. Hence the condition, formulated in their resolution, that the statute of the Corporation should be adjusted to comply with the law. But in interpreting the Huta Batory resolution, some lay stress on "yes"--the council has agreed to enter the corporation, and things will take care of themselves later--while other ones place emphasis on "but," saying that the design of the corporation requires something more than just cosmetic changes and that otherwise their consent will not stand.

The "yes but" position was adopted at a general meeting of worker delegates--after an exhausting, 7-hour discussion. The outcome is said to have been largely influenced by the position of the steelworks director, highly respected by the workforce. "Although he had reservations about some detailed provisions of the statute, he was speaking for the idea of integration so emotionally as if it were a matter of life or death for himself," say Worker Council members.

It is the broad idea of integration--not necessarily in the form of the corporation--which won the hearts of Huta Batory delegates. Most of them felt convinced and hence their consent on entry. But the same majority shared the reservations expressed by critics of the concrete--not general--form of this integration, and hence the condition formulated in the resolution.

The delegates were also impressed by the statement of the head of Huta Batory not [engineers' society] branch. He appealed to the workers to give a positive answer "less because of the advantages of joining the corporation than because of the dangers that the mill would face if it stayed outside: no supplies, no access to centralized funds, and no influence upon the development of the sector."

What is expected from the corporation by those opting for the entry? The arguments put forward in both steelworks are similar. Throughout the whole period of past 40 years, say the directors, the metallurgical sector has been built as one complex, and now almost each mill depends on outside supplies. Huta Batory receives 80 percent of its throughput from outside sources, and at Huta Bierut the proportion stands at 90 percent.

"This nonsensical situation--where semimanufactured products are carried all over the country three or four times and each time counted into national income, still before the end-product is completed--is precisely the legacy of the "amalgamated corporations" of the past, then referred to as industry boards ['zjednoczenia'], " I am told at Huta Bierut.

But the fact is that cooperation among the mills does not work smoothly. Huta Bierut complains of Huta Katowice and Lenin steelworks, and is itself criticized by Huta Warszawa. Ingots for the latter have been produced but for lack of freight cars there is no way of transporting them. So some people believe that under the umbrella of the situation will improve.

When advocates of the corporation explain that steelworks' operations--supplies, repairs, development, etc.--must be coordinated, critics reply: "Why can it not be done by the association? That, after all, is its purpose. Will the association not manage without commands? Should we, in the name of cooperation, bury the reform, together with self-management?"

This polemic, drawing more on abstracts than concretes, can be carried on endlessly.

#### Force Above All

The source of the centralization drive, self-management people from Huta Bierut suspect, lies in the conviction, still persisting at the ministry, that the mills could turn out more than their capabilities indicate. At the request of the ministry, Huta Bierut once revised upwards its sheet-production plan. The original plan of the enterprise had been compiled in accordance with production-supply opportunities. But when the ministry promised to arrange supplies for additional output, the worker council gave its consent.

The increased target for sheet production required plan revisions at other departments, which was primarily connected with workforce transfers. But after several months it turned out that the shipments promised by the ministry did not come.

The resulting perturbations adversely affected output--and pay opportunities as well. This lesson is not lost on steel workers from Czestochowa. But after each quarter-year they have to explain why purported production reserves in one department or another are not being tapped.

"In such cases, we write explanations based on technological computations, but no one cares," says a council member. "Perhaps 'no one' is too strong a word. Some people knowing the trade tell us: 'I understand you but those higher up would not listen, so write it again, only more extensively.'"

"To this you can't answer anything. Is it so difficult to understand that some barriers simply cannot be overcome? From 120,000 tons of ingots you will have only 72,000 tons of sheet at our mill, but at Huta Katowice this will be 100,000 tons of sheet, which in addition it takes 40 percent shorter time to roll."

Adds a council vice chairman from Huta Bierut: "After attending various conferences, I have an impression that people at the mills are treated as 'slothful villains' whom only the corporation management can get to work."

Another example how people are treated is related to me at the Worker Council of Huta Batory. Just recently, their director was reprimanded and deprived of his bonus because the steelworks was not operational on one Friday after a Thursday holiday. Naturally, this day-off was planned at the mills long time before and duly compensated by work on another day. Yet the minister chose to penalize the director for the too long weekend.

In a letter to the minister, the Worker Council was kindly explaining that it would be economically nonsensical to burn furnaces just for 1 day between 2 days off, and that losses would approach Zl 1 million (even at artificially low fuel prices). The director himself does not want to go into details, but he assures me that the reprimand has been revoked.

After hearing this, one can understand more easily a Huta Bierut executive who used this argument for the entry:

"Let us not deceive ourselves. The autonomy of our enterprises is increasingly more apparent than real. If I have to go and beg the minister, then I prefer going to the corporation office."

The directors have to go and beg because under the present system the steelworks are not capable of self-financing. Huta Batory is among the most efficient in the sector, largely as a result of its own effort. From the deficit of Zl 400 million in 1982, it recovered to the Zl 2.74 billion profit in 1984, with material costs of production reduced by Zl 1.5 billion.

This year, the steelworks' profit is to increase to around Zl 3 billion. Neither in the last nor in this year did Huta Batory pay a single zloty to the PFAZ, although on the list of wages it occupies the third position in the sector. So its economic condition, against the background of other mills, is very good.

But as the director says, "although our pay rates are not bad, we lose annually 200 employees. We have suppressed costs and generated a hefty profit, but we still cannot afford such an inflow of technology which would offset the outflow of people. The steelworks is old, with plant depreciation at 70 percent. Tens of workposts urgently need repair. But we were refused credit and deprived of depreciation allowances. Our profit would suffice for the repair of just one-tenth of what should be repaired."

"Something must be done about it. Under the present system the company will collapse in several years' time."

Something must be done indeed--not only for Huta Batory but for the whole industry as well (although not necessarily for each individual mill). But calculation should be the decisive factor, as this "something" of course means big money.

The self-management activists voting against the corporation also see the need for joining enterprise capitals in order to eliminate bottlenecks and modernize.

"But why isn't anybody considering the idea of a joint-stock company or a bank for steel industry modernization? We would then have guarantees that the money ceded by enterprises is placed sensibly and that economic considerations are observed."

According to managers, "the joint capitals of enterprises in the sector represent together just one-fifth of resources needed under the industry's modernization program. The rest must be fought for. And the stronger has always more to gain."

"The atmosphere surrounding the steel industry has been bad of late. It is high time the importance of this sector and its requirements were recognized."

The same goals--to consolidate their importance and have their needs satisfied--are pursued by other branches which also merge into conglomerates. "And it does not seem feasible to separate from an economy dominated by sectoral conglomerates," concludes the chairman of the Huta Bierut Worker Council.

/9365

CSO: 2020/61

ECONOMY

POLAND

#### ECONOMISTS DEBATE, ASSESS REFORM

Warsaw POLITYKA in Polish 30 Nov 85 p 4

[Article by Jacek Mojkowski and Jacek Poprzeczko: "Economists Assess the Reform: Progress or Regression?"]

[Text] In his address to the Sejm, Premier Zbigniew Messner referred to the economic reform as an irrevocable process, thus providing an unambiguous declaration of the intentions of the new government. In this situation, it is all the more important to realize how complicated this process is and what dangers it may face.

The subject has of late been heatedly discussed among Polish economists--both professionals and economic administrators. A good occasion was provided by preparations for the Polish Science Congress, and by the preparations for--and debates at--the 14th National Congress of the Polish Economic Society (PTE). The views expressed by specialists were only partly presented to the public in the press. The reason may be that the nonprofessional part of the public opinion got sick and tired of economic discussions, focusing its interest on concrete results rather than muddling through the intricacies of the reform.

#### Return to the "Pre-Crisis State of Affairs"

"If the economic situation is to improve, the reformatory process must accelerate," Prof Zdzislaw Sadowski told the October conference of the PTE Warsaw branch. "Unless, in a couple of years, we manage to make a clear step forward, the whole process may grind to a halt, with unpredictable adverse consequences."

The reasons behind economists' worries and the direction of their criticism will become all the more understandable when we realize that that milieu is not prone to simplified assessments. It was appreciated, in the course of the recent discussions, that despite numerous limitations and material barriers in the past 3 years, the tendencies towards growth in production and national income had consolidated. Labor productivity in industry, as measured by the value of sold production per worker, was 1.6 percent higher in 1984 compared to 1979. Also pointed out in the discussions was progress in employing other factors of production, some improvement in the consumer-market situation, and a relatively high surplus in trade with capitalist countries.

Why, then, the fears of the economists, and why is it that these fears are expressed so strongly right now?

The 3-year plan period is drawing to an end, and so is the deadline for the introduction of the principal arrangements of the reform. It might be objected, of course, that this was too short a period for the effects of the reform to materialize. And it is true that not all arrangements of the reform were introduced consistently and in full. But it is precisely this circumstance that warrants the summing up. What we have at present is a new economic system whose features are sufficiently discernible to allow us to identify and assess its regularities and to predict its future development.

It is not yet fully known how 1985 will end, but we can state already now that the tendency towards economic growth, initiated in 1983-1984, has slowed. The economists agree about diagnosis: the system shaped by to-date reformatory endeavors and by factors uncontrolled by the reformers has made it possible to tap the so-called surface reserves of the economy, that is such reserves which can be exploited without major investments, and without major changes in the structure of production, productive potential, and employment. The economy is arduously recovering in some areas to the precrises level. This is a success--but very relative one. Moreover, the restoration of the "pre-crisis state of affairs" is seen not only in results but also in the system itself. What is its present design?

#### Overregulated System

The system is said to be of mixed character. In many cases, this simply means the attempt at launching new mechanisms within the old structure. In place of commands, there have been introduced financial tools, such as taxes, PFAZ contributions, depreciation-fund division between the budget and the enterprise, etc., with a view to controlling enterprise operations. But all too often these tools are being changed to suit current requirements.

In the opinion of a majority of economists, the present system is overregulated, the existence of changeable, detailed regulation is being explained [by the authorities] by internal disequilibrium, difficult balance-of-payments situation, and misgivings as to society's reaction to the introduction of harsh, unrelenting rules of the economic game. But the result is that the tools, which indeed have been changed, are being used in roughly the same way as in the past. The financial instruments are being treated as a sort of [individually addressed] commands.

In extreme assessments, the difference between the old and the new system consists in that the former was "command-and-quota" while the latter is "lobbying-and-discretionary."

In the state sector, the coal, power, sugar, meat, and cement industries, as well as railroads, have been exempted from the universally-binding financial and economic rules. Enterprises and entire industries are increasingly demanding to be treated according to "special principles."

The reform has failed to alter the vertical organizational structure of the economy, as reflected in the chain: enterprise--association--sectoral ministry. The form of enterprise associations needs to be thoroughly reconsidered, since in principle the associations duplicate the traditional sectoral pattern of industry boards. Their attention is largely focused on handling the rationing schemes, coping with production supply difficulties, lobbying for concessions, etc.

In the nonstate sector, conditions for truly dynamic development of cooperatives, private businesses, and companies based on foreign capital (extending beyond the margin of Polonian firms) have yet to be provided. The problem here is the stability of state policy and confidence in it.

The consolidation of old-time arrangements is served by various forms of rationing. It covers, in varying degree and to a varying extent, raw and intermediate materials, labor, foreign exchange, and bank credit.

The area covered by mandatory intermediation in employment contracts was increased from 16 voivodships in 1983 to 22 in 1984. Rationed to a large extent are convertible currencies for import purposes, with the dominant form of central allocation for concrete goods. Enterprises' export-revenue allowances (RODs), although increasing, are still a margin (14 percent of all import expenditures).

A peculiar form of rationing is also applied to bank credit. Along with the criterion of creditworthiness, banks are guided by the assessment of "warranted requirements" including in the first place the requirements of the central plan. Besides, banks are entangled in the financing of old-time, capital-devouring central investment projects, as a result of which there is a shortage of funds for quick-return projects of enterprises. The three S's [autonomy, self-management, and self-financing] stand for little if output, wage growth, and development of the enterprise are linked to centrally-controlled shipments of materials, energy, and fuels.

Financial policy is in the opinion of most economists one of the weakest spots of the present system. It is marked by excessive fiscalization--with the managers of unbalanced budget trying to snatch the money from wherever possible, acting according to unstable rules of the game.

It is difficult to pursue a policy of "tight money" and "tight financing" when subsidies, grants, tax breaks and PFAZ concessions are on the rise and when sectoral compensatory accounts are applied on a large scale, concealing true profits and losses of individual enterprises within the branches concerned.

One effect of the "benevolent" policy of the state towards enterprises is hard life for citizens. But, as noted by Prof. Jozef Pajestka at the session of the Warsaw branch of the PTE, "the socialist ideology, while firmly oriented to social justice, has never called for justice for enterprises as a rule to follow."

## "Conspiracy of Selfishness and Carelessness"

The decisive role in the reform is played by the central apparatus of the state, and its final shape largely depends on the attitude of the [policy-making] center.

For the time being, the latter is overwhelmed by the sectoral pattern which hardly helps to control pressure groups. Continued rationing strengthens the hand of ministries vis-a-vis enterprises, with ministerial officials acting as agents of individual sectors representing their interests in relations with other ministries. Such relationship leads to paternalism, discretionary decision-making, and lobbying in which it is the muscle, not economic rationale, that counts.

In principle, the reform has no political or ideological opponents. But, as Prof Pajestka writes in his study for the Institute of Economic Sciences (INE), there is a "conspiracy of mean, particularistic selfishness and carelessness. Belonging to it are cadres from both enterprises and central administration, but the fact is that it flourishes in the realm of central bureaucracy."

Homo bureaucraticus is guided in his behavior by the principle of maximum authority with minimum responsibility. And this concerns not so much the people "on the top" but thousands anonymous bureaucrats at the intermediate level. Their authority stems from rationing, and rationing provides rationale for their existence. This feeds the interdependence which is increasingly more difficult to break. Many economists see in the sectoral ministries a bastion of resistance against the reform. These ministries combine two functions, being both the parent bodies for enterprises and main executors of the state's economic policy--which automatically places enterprises in a worse position. In this context, let it be recalled that a law which would regulate the competences of the Council of Ministers, and powers and duties of the heads of central administrative bodies has not been passed yet.

## Where We Are Headed

Summing up, the present system is internally incoherent, and it reveals a tendency towards duplication and consolidation of the old structures and methods--the tendency which is upheld by powerful special-interest groups.

And what is the reformed economy supposed to be like? What is the target model to which we are striving? Sometimes, coping with daily realities, so distant from it, we forget about this model. So let it be recalled that it is to be a system in which, on the one hand, autonomous, self-financing, and self-managing enterprises constitute the principal economic entities, and on the other, the center works out a strategy for development and oversees its implementation. The autonomy of the enterprise, accompanied by its financial independence, is to stimulate initiative coupled with economic rationality and discipline. Whether or not production is adjusted (qualitatively and quantitatively) to buyers' preferences and whether it is obtained at the lowest possible cost should be determined for the most part in this basic unit of the economy, capable as it is of flexibly reacting to demand and



comparing outlays with effects in a direct way. As for the center, its task is to plan and coordinate long-term measures concerning the whole economy--such which the enterprise, by its very nature, is unable to launch. It should also coordinate interests of enterprises with the public interest. In pursuing its objectives, the center should influence enterprises primarily through economic parameters, such as taxes, interest rate, or exchange rate.

As already stated, we now have a mixed system, combining--incoherently--elements of the old-time command-and-quota system with a new, parametric one. In this situation, there are two possible scenarios for the future. Either the reform will be developed and consolidated, as reflected in gradual departure from command-and-quota methods (of which lobbying and discretionary decision-making are only a variation), or the tendency towards a return to the old, "well-tested" ways will win the upper hand. In the light of recent developments, the latter option is by no means ruled out--and this is what provokes warnings from the economists.

Having bogged down at some point, the reform is now bringing diminishing effects, so the motivation to go on with it is weakening and its public following shrinking. The direct methods of enterprise control are proving themselves not effective enough, so attempts are made to apply the "effective" ones, drawing on direct, administrative interference. The objective of mushrooming proposals for sectoral concentration is precisely to provide condition for the introduction of the latter methods. Where it leads we know full well. We have had an opportunity to experience the operation of the command-and-quota system in its entirety; and its inability to meet the challenges facing a modern economy has been proven beyond doubt.

### Breaking the Vicious Circle

In their debates, the economists use various designations to describe the present state of affairs. But whether they say that the reform is "at a crossroads," that it has "bogged down," that it has met with "counter-reformation," or that "under the pressure of current situation the pace of transformations has slowed" a bit, the most important question remains "what next?" What is to be done to ensure the implementation of the only acceptable scenario, one of increased efficiency of the national economy?

In the systemic field, the room for changes within enterprises is small. Naturally, there remains the question of settling the relations, between management, self-management bodies, and trade unions, where there is still a great deal of disorder and misunderstanding. Improvement is needed in the sphere of wages, but there the spread of enterprise wage systems seems to be a right direction. There is a clear need for the transformation of the center. The recent reduction of the number of ministries and changes in the functions of the Planning Commission have somehow moved this matter forward. In countering bureaucratic tendencies, a very big role should be played by greater public control over economic processes, but this should consist in the development of representative democratic institutions, mostly in the self-management realm, instead of multiplying specialist bodies of inspection.

From the standpoint of economic efficiency, the most important, and perhaps the most difficult task is--here, the economists are rather unanimous--to provide the mechanisms of self-regulation or, more broadly, an "economic environment" in which all participants of economic processes might, and would have to, behave rationally.

In the system in which autonomous enterprises are the actors of economic activity and in which the center performs strategic functions, the pivotal role is played by economic parameters, which permit correct calculations and smooth central control of the economy. In the opinion of specialists, the most important problem here is that of prices. Prices will play parametric functions only when they constitute an external factor for the enterprise, determining its operating conditions. Meanwhile, the dominant pricing formula is the "cost-plus" one, under which the price is based on individual costs plus a decreed profit margin. It is thus the enterprises themselves that form prices which should be to them an external parameter. And prices can be formed correctly only by the market--which, naturally, does not exclude the possibility, and sometimes even a necessity, of some (limited) forms of administrative interference--but this should be a balanced market, one which is neither depleted nor monopolized.

We are thus in a vicious circle--there can be no market without equilibrium, and we will not arrive at equilibrium without the operation of market mechanisms. This brings us back to the argument that the reform should have not been started in conditions of disequilibrium. But as rightly pointed out by Waldemar Grzywacz of the PTE's Szczecin branch, "if the economy were working well, no one would reform it, as there would be no need for reform." So the question is, where and how should this vicious circle be broken? The intensification of administrative interference in pricing will only aggravate the difficulties in the long run. But we should realize that for a long time this interference will continue, to a greater extent than allowed under the target model. "The demand to set the price system and pricing procedures in order should be treated only as one concerning the final goal," says Prof Sadowski. "There is no way of meeting it tomorrow or in a year from now."

But in the situation where without an adequate pattern of prices no other element of the burgeoning economic system can work, and where this pattern can develop only at a slow pace, one should be prepared that the advocates of "old, good ways" may acquire new arguments. It is thus all the more important to listen to the warning from the overwhelming majority of Polish economists, who point out how dubious the value of these arguments is.

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ECONOMY

POLAND

# BUDGET DEFICIT 'REDUCTION' MEASURES DESCRIBED

Warsaw ZYCIE GOSPODARCZE in Polish 15 Dec 85 pp 1, 4

[Article by Tomasz Jezioranski: "Sejm Discusses 1986 Budget: In Deep Waters"]

[Excerpts] In its first working session, the new Sejm discussed [government-submitted] draft documents describing the state's financial situation. The budgetary debate is among the most important, but also most difficult, elements of routine parliamentary business. Right at the beginning of their term, the deputies--most of them elected for the first time--found themselves in deep waters.

In commenting on the draft budget, deputies agreed with the declared direction of the state's financial policy, epitomized by the "tight money" strategy, but in one way or another they added that it is the details where problems begin. The first such "detail" is the balance of the budget. In 1986, it is to be in the red, although, as recalled by one of the new deputies, Jerzy Golis, the 3-year plan provided for the elimination of the deficit already in 1985. Actually, this year is going to end up with Zl 125 billion in deficit (against the annual plan target of Zl 138 billion) and next year the figure is to grow to Zl 151 billion.

Before having a closer look at the deficit, let us start with a general description of the budgetary revenues and expenditures. Compared to the budget law for 1985, the planned revenues of the state budget are to rise by 17.4 percent to reach Zl 4,335 billion. The growth on the spending side is to be slower--by 15.4 percent to Zl 4,592 billion. The result is the deficit of Zl 257 billion, or Zl 31 billion less than the corresponding figure in the 1985 budget. But this difference between the budget's expenditures and revenues should be reduced by the effects of price changes, which will add to the budgetary income Zl 106 billion (against Zl 150 billion in 1985). Thus, the official deficit of the state budget planned for 1986 stands at Zl 151 billion. It will be covered with bank credit, raising the budget's debt to the National Bank of Poland (NBP) to more than Zl 758 billion.

On the revenue side, the biggest contribution comes from the socialized sector of the economy--Zl 3.5 trillion. Increasing by 18.7 percent on this year's target, it represents 80.7 percent of the total, or 0.9 point more than in 1985. Formally, this should be a cause for optimism--if only it reflected increased economic activity. But in systematically-comparable terms (without

the additional measures, on which more later), the receipts from the socialized sector are to increase (comparing plan targets) by 7.6 percent, while their share in all revenues is to drop to 73 percent.

The second biggest revenue item are social security contributions--Zl 441 billion, or 10.2 percent of the total (against 9.8 percent this year). The growth-rate here (21 percent) is higher than that for overall revenues and for the revenues from the socialized sector, but it is by no means the highest one.

In this respect, the leaders are financial and insurance institutions which are going to contribute Zl 96 billion, or 143 percent more [Ed. note: This passage is translated literally ("143 percent more") but the figure may actually represent a dynamics index (assuming the previous year as 100). The growth-rate would then stand at 43 percent.] than provided for in the budget law for 1985. But compared to this year's expected actual figure, the growth is to be much slower--by just 19 percent--which shows that this revenue item was underestimated in the 1985 budget.

This same holds for the receipts from the private sector. Against the 1985 target, they are to go up 72 percent, but compared to the expected actual figure the growth is to be 29 percent. Still, with the total of Zl 144 billion, these revenues come third.

On the side of expenditures, the biggest item is the one traditionally entitled "the financing of enterprises and other economic units." In the draft budget for 1986, this title was changed into "subsidies to the prices of goods and services, and the financing of enterprises and other economic units." Presumably, the new designation--doubtless, more accurate now--is supposed to make the amount assigned to this item more palatable to the public.

And the amount in question is not a trifle. At Zl 1,723 billion, it accounts for 37.5 percent of all budgetary expenditures and for nearly 40 percent of revenues. It should be noted, however, that these two figures are lower than the corresponding 1985 targets--a trend which is still more perceptible when comparisons are made against the 1983 budget. But on the other hand, it may be recalled that this trend is shaped not only by the dynamics of subsidies to the socialized economic units but also by the dynamics of spending for other purposes.

From the largest item, let us now turn to the fastest-growing one. When presenting the draft budget, Finance Minister Stanislaw Nieckarz said that employment in state administration would decrease in 1986. This announcement--associated with institutional changes within the policymaking center and, perhaps, interpreted as the reduction of spending on administration--won generally positive marks from the deputies. It is traditionally believed--not only in this country--that spending on administrative personnel constitutes a sizeable budgetary reserve.

The problem, however, is complex, as a detailed analysis of the draft budget will show. First of all, the number of central administrative posts will

actually grow--by 3.3 percent, meaning 1,661 people. This is a result of a growth by 90 in the strict center, a growth by 1,695 in its "environs," that is in units subordinated to ministries and central offices, and a drop by 124 in the number of positions held as a reserve at the disposal of the prime minister.

Also growing is the number of posts in the administration of justice and law enforcement. But there will be a drop in state administration financed from local budgets. The combined number of posts in the whole state administration will drop by 995, or 0.4 percent, which is a welcome development, although its magnitude should not be exaggerated.

At the same time, however, the spending item referred to as "administration, administration of justice, law enforcement, and public security" shows the highest dynamics--123 percent. In this, the expenditure on administration is to increase by 25.5 percent to reach Zl 96 billion.

The second fastest-growing spending item are investments and repairs. The target for 1986 is set at Zl 655 billion, up 21 percent from this year's target. When compared to the expected actual performance this year, the increase will be smaller--of the order of 13 percent--but at the same time, the draft budget provides for a decline in investments financed from enterprises' own resources by more than 7.5 percent (to Zl 802 billion). Given the oft-repeated demands to shift the main thrust of investing to enterprises, as more efficient entities, the tendency outlined in the draft budget is worrying.

It is true that NBP chairman, Prof Wladyslaw Baka told the Sejm about plans to increase--for the first time since 1982--the flow of credits to finance enterprises' own investment projects, but this flow will amount to just Zl 60 billion. The sixfold growth is indeed colossal, but the absolute amount, especially when coupled with other budgetary measures, will hardly auger a breakthrough.

#### Extraordinary Measures

At this moment, let us turn to the draft law on the Foreign Debt Servicing Fund (FOZZ), submitted to the Sejm together with the budget bill. Under the FOZZ bill, socialized enterprises next year are to contribute to the budget the equivalent of 2 percent of their fixed assets.

This amount was estimated (in the substantiation of the bill) at Zl 106 billion, which means that precisely the same amount will be deducted from the combined profit for distribution. The victim will most probably be the development fund, as it is hardly conceivable that any enterprise will cover the new tax with consumption-oriented funds. Enterprises' investment activity will be reduced accordingly.

The proposed bill was received by deputies with mixed feelings. It was pointed out (deputy Jerzy Golis) that the FOZZ will enable the Sejm better to monitor the problems of foreign debt and that it is one of the tools designed

to improve the finances of the state in 1986 (deputy Wieslaw Syzmanski). At the same time, however, it was fingered as yet another element destabilizing the economic system.

In this context, a remark by the latter deputy seems very appropriate. The policy of increasing the financial burdens, he said, is not bad in itself. Everything depends on whether or not the economic/financial system is sufficiently stable and economic policy sufficiently clear and consistent to combine to produce a situation where increase in financial burdens stimulates enterprises' economic activity. If the rise in taxation takes place in step with the multiplication of regulators and changes in the rules of the game, then the enterprises become economically passive and seek successes through statistical/reporting tricks. In such situation, the immediate goal--to raise budgetary revenue--stands in conflict with the long term goal of constant search for an increase in economic surplus.

One is hardly surprised by the stance of those deputies who, upon the first reading, approached the FOZZ proposal with great caution. From the legal standpoint, the bill is debatable. Its authors write in substantiation that "the fixed assets of the national economy created in the 1970's were for the most part the result of foreign credits utilization (directly, through capital equipment imports, and indirectly, through the provision of domestic investment opportunities), so it seems warranted that the socialized economic units, which have the fixed assets at their disposal, should participate accordingly in the covering of debt repayment."

I will not question that the introduction of additional tax burden is from the standpoint of the budget, a necessary step, but the arguments put forward to substantiate the measure do not seem convincing. Under the same pretext, after all, enterprises were already deprived of a portion of depreciation funds. Besides, a question arises of whether the fixed assets are the best base for taxation and whether this taxation should be levied on all in the same degree.

Enclosed to the proposed FOZZ bill was the draft of a Council of Ministers executive order. It limits contributions to the FOZZ to no more than 20 percent of distributed profit, and extends exemptions to the PKP [national railroads], enterprises operating in the municipal, farming and farm-supplying, forestry and forestry-supplying, and environment-protection sectors, PGR state farms, RSP farm cooperatives, and units not counted into the productive sphere.

Regrettably, the draft executive order, despite relevant authorization in the bill, does not provide for differentiation of FOZZ contributions in a sectoral breakdown. In the light of this, Deputy Syzmanski's question of whether the uniform taxation rate will not hit those enterprises which modernize themselves and, consequently, whether the state's fiscal policy will not clash with its structural policy seem very relevant.

As it turns out from Minister Nieckarz's statement, the FOZZ is one of several measures designed to balance the budget. Under other ones, the budget is to take over a quarter of income-tax and depreciation-division concessions, the

budget-financed units will have the effects of price change compensated in 70 percent, and "there will be an across-the-board reduction of product (indirect) subsidies and state aid to the municipal and housing sectors by 2 percent."

Doubts connected with the reduction of concessions were first expressed by Deputy Zygmunt Kostarczyk: "The overblown system of tax concessions resulted in a large flow of funds to some enterprises. The budget fell into deficit, of which it tried to get out by increasing its share in enterprise profits. As a result, it helped the inefficient, while draining the efficient."

Leaving the faults of a concessions-based system aside, the mechanical cutback affecting all in the same degree does not seem logical. It may bring about some short-term financial effect, but is unlikely to resolve any of the major problems. One can hardly understand why no attempt was made to objectivize the criteria for granting concessions throughout the whole financial system, and why the terms of concessions were not tightened up.

#### The Subsidies Conondrum

The third undertaking, or the reduction of subsidies, is a little bit more complicated. The announcement after all, meets the oft-repeated demand to set this part of the budget sector in order. And I repeat the words: set in order. To explain why, let me quote some passages from a NIK (Supreme Chamber of Inspection) report on subsidies. The NIK surveyed 106 enterprises, 13 tax offices, 17 tax chambers, and 11 ministries, including the Ministry of Finance.

"Inspection findings indicate that the high subsidies paid from the budget for the production of goods and services failed to stimulate efficiency in the enterprises concerned," says the report. Inspectors also found that "a large portion of the budgetary resources channeled to enterprises in the form of product (indirect) subsidies were unwarranted."

"Inspection findings show that the supervision of economic ministries does not suffice to ensure fully rational and frugal allocation of budgetary subsidies to the overseen enterprises. At the stage of defining the demand for subsidies, this was primarily reflected in the setting of product subsidy rates in separation from the real trends in production costs.

"The supervision by tax offices and chambers proved ineffective, too. Monthly reports from enterprises on subsidy settlements were tackled by tax offices in purely formal and accounting manner. No interest was shown in the rationale behind the granted subsidies."

As for the tax chambers, they took greater interest in the linkage between subsidy rates and profitability of products, but they "very rarely compared the purposefulness of granting subsidies with the efficiency of economic activity in the subsidized enterprises. Outside their reach was the sphere of production costs of the subsidized goods and services and the extraordinary losses of the subsidized enterprises coming as a result of adverse developments in their economic and financial operations. At the subsidy planning

stage, the efficacy of supervision by tax chambers was impaired by the latter's poor knowledge about requirements in the field."

And finally, "the set of implementing rules issued by the Finance Ministry failed to provide a uniform interpretation of Council of Ministers executive order 63-1983 on the principles of granting product (indirect) subsidies."

NIK inspectors preferred to resort to a diplomatic jargon, but the conclusion from the cited report is unambiguous: there is a big mess in the field of subsidies. And when Deputy Alojzy Bryl said it was "purposeful to enhance the Sejm's control over the granting of subsidies," this was not a call to cut, e.g., milk subsidies, but rather the request that these and other subsidies should run at only such levels as are absolutely necessary for the attainment of principal social goals.

Neither the statement by Minister Nieckarz nor the materials presented to the Sejm contain accurate information about "the setting in order." An analysis of subsidy rates shows that they were not subjected to any kind of general review or verification--which means that the NIK conclusions remained without response. And in the light of figures presented in budgetary materials, one can hardly find the evidence that the product (indirect) subsidies and state aid to the municipal and housing sector will indeed be cut by the promised 2 percent.

Let us review the main items adding up to the aggregate once called "the financing of enterprises and other economic units." I will quote the expenditures planned for 1986, accompanied by percentages showing their growth on the expected performance this year:

- subsidies to foodstuffs: Zl 321.6 billion (up 3.3 percent);
- subsidies to nonfood consumer goods: Zl 71.7 billion (up 8.6 percent);
- subsidies to agriculture-supplying articles: Zl 86.2 billion (up 12 percent);
- subsidies to passenger transport by PKP and PKS: Zl 106.8 billion (up 13.9 percent);
- subsidies to the municipal and housing sector: Zl 378.6 billion (up 37.2 percent);
- refunds for credit write-offs and for subsidies to interest on credit in agriculture: Zl 25.3 billion (up 6 percent);
- subsidies to goods and services used for production-supply and investment purposes: Zl 239.3 billion (up 20.3 percent);
- subsidies to farming enterprises (without product subsidies): Zl 102.5 billion (up 22.2 percent);



--state aid to the compensatory account: Zl 60 billion (down 1.6 percent);

--producer (direct) subsidies and other subsidies: Zl 47.7 billion (up 32.8 percent);

--state aid to economic units without the status of an enterprise (expenditures for public roads upkeep, fire protection, prospecting, and expenditures of budget-financed units operating in the municipal sector and in farming): Zl 269 billion (up 13.2 percent).

Together, these items add up to more than Zl 1.7 trillion. Two questions, however, remained unexplained. What is included in the amount of Zl 825.7 billion of product (indirect) subsidies mentioned in Art. 4, sec. 1 of the budget bill (to be precise, last year this amount stood at Zl 689.8 billion)? Second, where is the 2 percent subsidy reduction, mentioned by Minister Nieckarz?

Answering the first question is very difficult because of the terms used alternately in various parts of the document.

Whether the applied word is "subsidy," "state aid," "financial aid," "write-off" or "refund," the economic sense is always the same, boiling down to financing economic operations, or in other words throwing money into something which should generate income on its own.

This group should also cover the concessions in corporate income tax (a typical case of refunding) which stand at Zl 180 billion (this is three-quarters of the total amount of concessions, since one-fourth is to be taken over by the budget). In all, the sum total of subsidies stands at some Zl 1.9-2.0 trillion, or nearly half of overall budgetary revenue, and more than a half of all incomes from economic activity.

To the second question, I can find no answer. All the listed items of various sorts of subsidies, including subsidies to the municipal and housing sector, are going to grow on the expected 1985 performance--and by no small margins at that. Perhaps, the deputies will manage to resolve this conundrum in the course of commission debates on the budget.

#### Two Prospects

In the words of Minister Nieckarz, the budget deficit would be three times higher (Zl 480 billion rather than Zl 151 billion) were it not for the additional measures. The information must have made great impression on deputies, and this aspect was repeated in many speeches. Little wonder, considering the stunning effect of the presented juxtaposition.

Several deputies praised the authors of the bill for their merits in fighting the looming colossal deficit--naturally with some reason. To come out with a successive--and thorough--modification of the tax rules is a sign of notable determination and, perhaps, courage. After all, 1982 saw the introduction of a capital levy; in 1984 the [corporate-income] tax formula was switched from

progressive to linear with a unified rate of 60 percent, a year later the rate was raised to 65 percent, and now a new tax is announced.

Some people say this betrays inconsistency in financial policy, but this is a wrong opinion. Consistency is there--only that one could express doubts (or even reservations) as to whether it will lead in the long run to the desired economic and social effects. Hence, the impression that it is the real processes that set the course of financial policy rather than vice versa.

The fact that the budget bill is passed annually provides, in some way, an encouragement to viewing it in a short-term perspective. But it would be appropriate if, from time to time, the overall health of state finances were inspected--not just their fiscal aspect. And this requires a longer-run perspective.

The budget deficit, which stood at Zl 151 billion in 1981, was reduced to Zl 81 a year earlier, and this was considered a success and a good forecast for the planned rebalancing in the last year of the 3-year plan.

This tendency seemed to be confirmed in 1983 when the deficit shrank to Zl 25 billion. The turn came in 1984, with a 172 percent growth to Zl 68 billion.

This year, the budget deficit is expected to nearly double (to around Zl 125 billion), and, assuming the same conditions, the next year would see an eruption. Attempts are made to prevent it through restrictive methods, and in 1986 this may still prove effective. In the future, however, further-reaching undertakings will be needed. The 5-year trend and the fact that we can restore the 1981 state of affairs only owing to extraordinary money-draining measures should provide a warning.

/9365

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ECONOMY

POLAND

BRIEFS

POLISH-CHINESE TRADE TO GROW--On 5 December, a protocol on trade and payments between Poland and China in 1986, was signed in Peking. It provides for a 20 percent growth in the volume of trade in 1986 in comparison to the value specified in the protocol for 1985. Trade will exceed 1.5 billion Swiss francs, in addition to barter agreements worth a further 250-300 million Swiss francs. Poland's Deputy Minister of Foreign Trade Antoni Karas and China's Minister of Economic Relations With Foreign Countries Chen Ye signed the protocol on behalf of their respective countries. [Text] [Warsaw RZECZPOSPOLITA in Polish 6 Dec 85 p 1] /9365

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ECONOMY

ROMANIA

## EFFORTS TO INCREASE JIU VALLEY COAL PRODUCTION

Bucharest ROMANIA LIBERA in Romanian 4 Oct 85 pp 1, 3

[Article by Emil Munteanu: "Sustained Efforts to Continuously Raise Coal Production"]

[Text] The beginning of a new month and of the fourth quarter presents us with the best possible occasion for a review to precede the one at year's end. And, as the members of the workers' council at the Jiu Valley Mining Combine point out, the more critical and self-critical an analysis of this year's activity to date, the better they will find ways and solutions for fourth quarter coal production to be at yet a higher level. There is great demand; much coal is required by the power stations and the steel industry, thus specific and satisfactory responses are expected from Jiu Valley miners.

"We know that, and we are taking extraordinary steps to raise coal production at all underground and above ground mines," we are told by engineer Benone Costinas, the technical director at the mining combine. "In our critique at the end of September we established a series of programs to be implemented by the day, by the shift, indeed by the hour. Overall we are aiming at increased coal production at all mining enterprises and, of course, the expeditious transportation of this increase to our customers. Our primary objective at this point is to implement the directives of the party's secretary general, Comrade Nicolae Ceausescu, that the number of jobs directly involved in mining production be increased. Specific measures we have taken in this regard have had the direct result of upping the number of jobs from 4900 to 5450, and the process is continuing."

We asked, "How exactly is this being accomplished?"

"About 400 students at the Petrosani Mining Institute are now engaged in practical mining work and this has contributed to increased coal production across the entire Jiu Valley. This is one result, the other is that the students have the opportunity to put into practice the theoretical concepts they studied in the classroom, to really learn them and to gain practical experience in underground work at the same time. Other ways to increase the number of production jobs call for reassignment of personnel and, of course, establishing new teams of miners."

"Given that this new approach has only recently been implemented," we asked, "is it too early to talk about the results?"

"No, right from 25 September, the figures showed substantial increases; from underground mines coal production went up an average of 1500 tons a day while surface mining saw a 2500 ton jump. The most impressive results were achieved at the Paroseni and Barbateni mining enterprises where supplementary production raised output from 31,000 to 40,000 tons. The Lupeni and Petrila enterprises are coming along, and we firmly believe that in a very short time there will be dramatic improvement throughout the entire combine."

During a short conversation with engineer Aurel Marhan, director of the Petrila mine we learned that the number of jobs has already increased from 430 to 590. There are 100 students employed underground--not in training activities or beginning work, but directly in the mines, in other words, at the front where the real battle to produce coal is waged. The natural outcome of this is that the daily output of coal has gone up noticeably, although not enough to meet demand. We must not forget that the plan for October is particularly challenging. This demands that efficient measures and actions continue, both to increase the number of jobs as well as to shut off all those "valves" through which time trickles away. Time is a most precious commodity now. In other words, this demands reducing unexcused absences, leaves--slowdowns of any kind--and these matters are now being discussed with every work crew and with every miner individually so that everywhere a climate of determined work is created, with a discipline and organization that befits exemplary work.

This conclusion is valid for all ten of the mining enterprises in the Jiu Valley--each attempting to make the most of its own activity and thus contribute to an exemplary fulfillment of the increased tasks that face the entire combine. We learned of other technical and organizational measures designed to increase the quantity of coal mined; bringing new coal faces into production, yet another longwall at the Lupeni mine, supplementary capacities at other mines, and providing for work on the ongoing program well into the future. Combine these measures with the primary objective of adding at least 1000 more jobs in direct production, and we must conclude that the entire program which the technical director spoke to us about is realistic and well-founded. Its full implementation will constitute a firm response to the patriotic call, "As much coal as possible for the country!"

The problem of equipment and spare parts suppliers not meeting their contractual obligations toward Jiu Valley miners has surfaced. This is a subject we have treated in a series of correspondence in this coal basin. We will not address all the issues here; it will suffice to touch on but one of these: rubber conveyor belts. The miners at Lonea have complained loudly about this, but the problem affects all the units. There are very large backlogs in deliveries of this product and the blame lies with the specialized rubber materials combines at Pitesti and Tirgu Jiu. Only 2700 meters of the 14 kilometers of rubber conveyor belts that were scheduled to be delivered actually arrived and the outlook for October shows no improvements in deliveries. What do the suppliers have to say?

"It is true that there are backlogs in delivering this product," admitted Nicolae Leca, commercial director at the specialized rubber materials combine Pitesti. "We promise to deliver all that we have in stock immediately."

"Will that be enough?" we asked.

"No, we remain far behind in deliveries, but it is not our fault, it is the fault of the Suveica enterprise in Bucharest and the Textila enterprise at Rosiori de Vede who have not delivered the EP 250 and the EP 400 sheets to us. Probably if you go to these units, you will find other reasons why the contractual obligations have not been met."

No, for the time being we are not going to knock on the doors of these enterprises who have failed to meet their obligations. We believe that it is the duty of those who have signed contracts to resolve their differences and to fight to get every supplier to meet the obligations assumed. If the law on economic contracts is not sufficiently well understood, we would remind the Pitesti and Tirgu Jiu enterprises that this problem, at the national level, is directly tied to an extremely important link without which those units would not exist: energy! And for this production, the miners in the Jiu Valley make their full contribution. Alibis and objective reasons or other excuses from suppliers and subsuppliers do not help miners to mine more coal. They need the rubber conveyor belts otherwise the new sources planned to be exploited in this quarter cannot be brought into production. And, in the end, this means coal, this means energy, for which we have a great need now!

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ECONOMY

ROMANIA

# PROPER DISTRIBUTION OF MANPOWER, RESOURCES BY COUNTIES URGED

Bucharest REVISTA DE STATISTICA in Romanian No 6-7 Jun-Jul 85, pp 65-72

[Article by Alexandru Radocea: "The Rational, Harmonious Placement of Production Forces Throughout the Country"]

[Text] In the 20 years that have passed since the historic Ninth Congress of the Romanian Communist Party and since the election of comrade Nicolae Ceausescu as secretary general of the party - a decisive moment which placed Romania on the course of the most dynamic period of development in its entire history - the Romanian people have obtained remarkable achievements in all fields of economic and social affairs. During this historic and relatively short period, our country has been transformed into a powerful socialist industrial-agrarian nation having an economy that is fully involved in a process of growth and modernization and is rationally and efficiently structured, and which has radically changed the working and living conditions and the civilization and well-being of all the people.

Unequivocally, among the most important achievements of this period are the remarkable results obtained with regards to the rational and harmonious placement of production forces throughout the country. In referring to this important facet of the process of creating a multilaterally developed socialist society in our country in his speech presented on the occasion of the 40th anniversary of the social and national, antifascist and antiimperialist liberation revolution, comrade Nicolae Ceausescu pointed out that; "One of the great achievements of our party's and state's economic-social policies is the rational distribution and placement of production forces throughout the country. This has ensured equal working and living conditions for all the citizens of our country and the raising of all the counties, especially those that had been behind in the past, to a new prosperous life."

A fundamental economic problem, but also a social-political one of the first order, the territorial distribution of the forces of production constitutes, in our party's view, a basic component of the strategy of creating a new system having at its base a sum of economic and social criteria intertwined in a close interdependency, integrated organically in the general priorities of economic growth and correlated with immediate and future goals.

One of these criteria stems from the requirement for growth in the entire economic potential at sustained rates, with priority on industrial potential. This requires the placement of new projects in all the regions of the country, giving priority

to those lesser developed regions for the purpose of attaining a higher degree of homogenization of the forces of production throughout the nation, a premise for achieving economic equality for all the citizens of the country.

The requirement of employing and better using the country's material resources and of fully and efficiently occupying human resources leads to the placement of new projects in new regions and localities. This constitutes a complex process having deep implications of a technical and economic nature and having important consequences at the level of social life, with economic development determining the need to carry out certain programs for the construction of housing and social-cultural facilities and for urbanization and systematization.

Maintaining certain rational proportions between and within the framework of the branches of the national economy, continuing to modernize technologies and the basis of technical-scientific progress and having specialization at certain centers for the production of various categories of products require the permanent creation of new facilities and projects which will offer the opportunity for and require the placement of these projects in new regions and localities.

Bringing production close to the natural and human resources, as well as the consumption centers, and the need for economic cooperation between the economic units similarly constitute a criterion and an argument for improving the territorial distribution of production forces for the purpose of ensuring increased economic and social efficiency.

The increase in the degree of stability of the population, the achievement of a demographic balance throughout the country, the growth in the degree of urbanization, the improvement of social structures and the access to work and income for the population in all the regions of the country - a condition for equalizing the parameters of well-being - also constitute a criterion, among others, which brings about the need for a harmonious and balanced territorial structure.

Substantiated on such criteria, the policy of a rational placement of production forces throughout the country, conceived in a view which integrates present and future economic efficiency, represents a guided process, a long-term strategy that is carried out on the basis of unique national plans for the economic-social development of the country.

The process for the rational placement of the forces of production and for homogenization in their territorial development was sustained by broad investment programs whose direction - on a priority basis towards the lesser developed counties and regions - constituted the material support for improving the territorial distribution of production forces and for placing certain important projects all across the country.

Thus, compared to an average annual growth rate for investments during the period 1965-1984, for the entire country, of 7.9 percent, in some lesser developed counties there were much higher rates of growth: Covasna (13.9 percent), Bistrita-Nasaud (14.9 percent), Constanta (13.8 percent), Giurgiu (11.3 percent), Gorj (11.8 percent), Mehedinti (13.4 percent), Salaj (12.6 percent), Tulcea (11.6 percent) and Vilcea (14.3 percent).



Consistently pursuing the rapid development of production forces throughout the country and the achievement of increased efficiency, the most significant part of investment funds was directed towards the material production branches, with priority on industry, whose percentage in the total amount of investments for the overall national economy during the period 1966-1984 represented approximately 52 percent. Throughout the country, this percentage presents certain differences in relationship to local conditions, with opportunities there for the better use of natural resources and the workforce for the purpose of developing the technical-material base and of ensuring an optimum economic configuration that would lead to the creation of equal working and living conditions in all the regions and counties of the country and for all the members of society. Thus, with percentages much higher than the average in the country, we have counties such as Arges (70 percent), Bacau (67 percent), Dimbovita (71 percent), Galati (63 percent), Gorj (82 percent), Neamt (64 percent), Olt (63 percent) and Vilcea (69 percent) that in the past had a poorly developed industrial potential. Also significant in this regard is the fact that the volume of investments allocated to the development of industry during the period 1966-1984 for only five of the above-mentioned counties (Arges, Bacau, Dimbovita, Gorj and Olt) exceeds the amount of industrial investments for the entire country during the period 1951-1965.

The placement throughout the country of new industrial production facilities, facilities from other branches, social-cultural buildings, and public-administrative facilities led to an increase in the value of fixed assets - approximately 2,600 billion lei - of over three times greater than in 1965. It should be noted that of the value of fixed assets existing today, 90 percent were put into operation during the period 1965-1984.

The fixed assets existing in the economy are distributed by branches in a structure which ensures high production efficiency, with 78 percent being fixed production assets, while from a territorial point of view there are significant changes compared to the previous period:

Value of Total Fixed Assets	Number of Counties	
	1965	1984
Up to 20 billion lei	35	-
20.1 - 40 billion lei	5	14
40.1 - 60 billion lei	-	13
60.1 - 80 billion lei	-	5
80.1 - 100 billion lei	1	5
Over 100 billion lei	-	4

In 1965, the value of fixed assets did not exceed 40 billion lei in any of the counties of the country (with the exception of Bucharest Municipality), but currently only 14 counties have fixed assets valued at less than 40 billion lei.

Of the 27 counties (including Bucharest Municipality) where total fixed assets exceed 40 billion lei, in Constanta, Galati and Prahova the figure is greater than 100 billion lei, while in Bucharest Municipality it is over 300 billion lei.

The results obtained by implementing the policy for the rational and harmonious distribution of production forces throughout the country and for the development and improvement of industry's technical-material base through the creation of certain powerful industrial complexes within the counties, have been expressed in the growth of the volume of the country's industrial production during the 1965-1984 period by 5.9 times over. While the country's industrial production recorded a 9.8 percent average annual growth rate during this timeframe, in 24 counties there were rates higher than the national average. Among those counties with high growth rates, we can note: Arges (12.9 percent), Bistrita-Nasaud (15 percent), Buzau (14.1 percent), Calarasi (12.3 percent), Galati (15.3 percent), Gorj (12.3 percent), Ialomita (12.1 percent), Olt (15.6 percent), Salaj (17 percent), Teleorman (12 percent), Tulcea (12.8 percent), Vaslui (13.8 percent) and Vilcea (13.2 percent).

Also significant in the development of industry throughout the country is the fact that currently more than one-half of the counties in the country each achieve the entire industrial production of Romania in 1938.

The growth of the industrial potential of all of the counties, especially the lesser developed ones, led to an attenuation of the differences concerning the contribution of each county to attaining the country's industrial production, showing the trend of economic-industrial homogenization of the country's regions and localities.

The change in the counties' percentages in the country's industrial production was brought about on one hand by the initial state of development of each county and on the other hand by their rate of growth in industrial production in relation to the policy for the rational distribution of production forces throughout the country and by the general rate of growth in the country's industrial production. In 1965, four counties (Brasov, Caras-Severin, Hunedoara and Prahova) and Bucharest Municipality achieved over 40 percent of the country's industrial production, while in 1984 their percentage was reduced to 31 percent. At the same time, 15 counties which together achieved 15 percent of total industrial production in 1965, increased their portion in 1984 to over 28 percent. Similarly, we can point out the fact that compared to 16 counties which each held in 1965 only a small percentage (under one percent) in the country's production, in 1984 the number of counties had been reduced to eight counties. Thus, the contribution of Buzau County increased from .9 percent in 1965 to 1.7 percent in 1984, Gorj County went from .8 percent to 1.6 percent, Olt County from .9 to 2.2 percent, Teleorman County from .9 to 1.2 percent, Vaslui County from .7 to 1.1 percent and Vilcea County from .8 to 1.4 percent.

Currently, when the entire industrial production of 1965 is achieved at the national level in approximately 60 days, in Arges, Gorj, Ialomita, Iasi, Teleorman and Vilcea counties the 1965 figures are achieved in 30-35 days; in Bistrita-Nasaud, Buzau, Galati, Olt, Tulcea and Vaslui they are achieved in 20-30 days; and in Salaj County in less than 15 days.

The party's policy of a balanced development of all the counties and of a harmonious distribution of industry throughout the country is conceived not only as an increase in production, but it also has in mind the creation of a modern structure both overall and in a territorial sense, within the framework of which the subbranches which promote technical progress hold an ever more important place. Within the framework of each county, they are not, however, pursuing the achievement of a structure similar to the macroeconomic model, but rather the adaptation of industry to a group of objective factors such as natural conditions, labor, resources, supply and consumption possibilities, and so forth. Thus, the metallurgical industry was expanded to Galati, Calarasi, Teleorman and Tulcea counties; the tractor building industry was expanded to Harghita, Dolj and Timis counties; the bearings industry to Valsui and Teleorman counties; the electronics and electrotechnical industry to Arges, Bistrita-Nasaud, Bihor, Botosani, Buzau, Covasna, Ialomita, Iasi, Mures and Vaslui counties; the petrochemical industry in Arges, Bihor and Constanta counties; the chemical fertilizer industry to Arad, Bacau, Braila, Dolj, Iasi, Tulcea, Vilcea and so forth.

As a result of the measures which envision the better achievement of industry throughout the country, industrial production per inhabitant reached 51, 917 lei in 1984, approximately five times greater than in 1965. This indicator, better correlated with the size of the counties, registered during the 1965-1984 period a favorable evolution, reflected on one hand by its growth in all the counties and, on the other hand, by the reduction of the relationship between the maximum and minimum values.

The grouping of the counties according to this indicator during the period 1965-1984 shows the following:

Lei/Inhabitant	Number of Counties			
	1965	1970	1980	1984
Up to 5,000 lei	14	5	-	-
5,001 - 10,000 lei	13	13	-	-
10,001 - 20,000 lei	10	17	5	1
20,001 - 30,000 lei	3	3	8	6
30,001 - 40,000 lei	1	2	13	8
40,001 - 50,000 lei	-	1	7	13
50,001 - 70,000 lei	-	-	5	6
Over 70,000 lei	-	-	3	7

Agriculture, the second basic branch of the national economy by virtue of its place in achieving the social product and national income of the country, recorded significant progress and qualitative changes concomitantly with the other branches of the economy, both overall and at a territorial level, providing the basic products to satisfy the population's consumption requirements and the necessary amount of agricultural raw materials for industry as well as some products for export.

For the development of this branch, important investment funds were allocated which permitted the modernization and diversification of the technical-material base in order to ensure certain high, stable and certain levels of production regardless of atmospheric conditions and amount of precipitation.

During the 1966-1984 period, the amount of investments allocated to agriculture was - in the prices of those years - approximately 400 billion lei (nearly 14 percent of the total amount of investments in the economy), of which nearly one-half was made in 11 counties having especially favorable conditions for the development of this branch. The investments made in agriculture in 1984 alone (37 billion lei) equal nearly the entire amount of investments allocated to agriculture during the period 1961-1965.

As a result of developing and improving the technical-material base, in 1984 agriculture had over 174,000 tractors, 93,000 more than in 1965, as well as a broad range of machinery and equipment necessary to carry out the agricultural projects distributed throughout the country proportionally according to the size of the agricultural surface area and the assignment of crops. Compared to an arable land area averaging 121 hectares per tractor in 1965, the figure was reduced to 59 hectares in 1984.

In 1965, there were only nine counties with more than 3,000 tractors (of which, Constanta County had 4,952 tractors and Timis County had 5,103), and currently more than two-thirds of the counties each have over 3,000 tractors, with four having over 7,000 (Constanta - 9,081 tractors, Dolj - 8,745, Teleorman - 7,546 and Timis - 9,099).

As a result of the measures taken, especially after the Ninth RCP Congress, large modern irrigation systems were set up in those counties having water resources and favorable natural conditions, such as: Constanta, Dolj, Tulcea, Braila, Ialomita, Calarasi, Giurgiu, Teleorman and Olt. In 1984, the area under irrigation totalled over 2.5 million hectares or more than 11 times more than in 1965.

For the development of zootechny, modern complexes were built for raising and fattening animals and fowl. These are facilities with a high degree of mechanization which offer opportunities for the use of certain modern technologies in this field, and existing barns and shelters were modernized in all the counties of the country.

Concomitantly, with the development of mechanization and the increase in land area under irrigation, agriculture benefited from increased amounts of chemical fertilizers, an essential factor in the growth of crop production per unit of land area.

The amounts of chemical fertilizer used in 1984 increased to 1.2 million tons of active substances compared to only 266,400 tons in 1965, currently representing an average of 118 kg of active substance per hectare or 4.4 times greater than in 1965.

As a result of the modernization of the technical-material base, the use of advanced technologies, the administration of increased amounts of chemical fertilizers and the improvement of crop varieties, as well as the increase in the number of livestock and animal production, the level of overall agricultural production was twice as great in 1984 as in 1965, with significant increases being obtained in all counties.

The changes that have occurred in agricultural production in a territorial sense are also shown by the grouping of the counties according to the value of overall agricultural production:

Value of Overall Agricultural Production	Number of Counties	
	1965	1984
Up to 2 billion lei	13	-
2.1 - 4 billion lei	26	12
4.1 - 6 billion lei	2	18
Over 6 billion lei	-	11

Over six billion lei production was obtained in Arad (7.7 billion), Bihor (7.2 billion), Braila (6.5 billion), Constanta (7.8 billion), Dolj (8.3 billion), Ialomita (6.2 billion), Iasi (7.8 billion), Olt (8.5 billion), Suceava (9.1 billion), Teleorman (7.4 billion) and Timis (12.3 billion) counties, counties which have the most favorable conditions for agriculture.

The results that have been obtained in the distribution of production forces by linking together economic-social activities and natural resources and workforces in all the counties are reflected by the sustained growth of total economic activities of the counties in accordance with the growth of their economic potential, a fact also reflected by the changes that have occurred in grouping the counties according to the volume of economic activity:

Total Volume of Economic Activities	Number of Counties	
	1965	1984
Up to 10 billion lei	21	-
10.1 - 20 billion lei	17	1
20.1 - 40 billion lei	2	17
40.1 - 60 billion lei	1	11
60.1 - 80 billion lei	-	7
Over 80 billion lei	-	5

The quantitative and qualitative changes in the development of industry, agriculture and the other branches of the economy have had an effect on the social level through a continued growth of worker personnel for the overall economy and for each county, thus achieving one of the fundamental objectives of the RCP policy regarding access to jobs and to work income for all the citizens of the country.

In 1984, the number of workers was 7.6 million, of which 3.5 million were in industry (46.5 percent of the total number of workers). Compared to 1965, the number of workers was approximately twice as great, reaching an average of 335 persons per 1,000 inhabitants, compared to 226/1000 in 1965. Rates higher than the national growth rate for workers per 1,000 inhabitants were recorded in counties that in the past were lesser developed, such as: Bistrita-Nasaud, Botosani, Buzau, Covasna, Dimbovita, Giurgiu, Gorj, Olt, Satu-Mare, Salaj, Vaslui and Vilcea.

The rational, harmonious distribution of production forces throughout the country, the consistent implementation of the socialist industrialization program and the stress upon the process of cooperation between localities in achieving economic progress have brought about a broad process of urbanization contained within a unified concept for the territorial systematization of urban and rural localities. This process has been carried out in the general concept of socialist construction, which has given it special scope and a dynamic and multilateral character constituting one of the most important achievements in the work of building a multilaterally developed socialist society, both through its economic facets and through those of a social nature.

During the 1965-1984 period, 54 localities became cities, so that currently in Romania there are 237 cities compared to 183 in 1965.

Along with the growth in the number of cities, there has been an increase in their population. Currently, over 11 million residents, or 49.7 percent of the country's population, benefit from the economic, social-cultural and public advantages offered by these modern cities, representing a 200 percent increase compared to 1965.

The significant changes that have occurred in the growth of the population of the cities are shown by their grouping according to number of inhabitants:

	Number of Cities	
	1965	1984
Total	183	237
Cities under 20,000 residents	126	134
Cities between 20,000 - 100,000 residents	44	82
Cities with over 100,000 residents	13	21

As a result of economic and urban development and improvements to the cooperative relations with the localities and neighboring regions, there have been essential changes in the economic functions and profiles of the municipalities and cities in accordance with the improvements to production and social relations and with the direct requirements of carrying out the industrialization process.

At the same time, economic activities and public-administrative projects in rural areas increased, which contributed to improved living and working conditions for the rural population and to bringing the rural areas closer to those in the cities.

Special attention was given to housing construction, with special scope in the last two decades both from the point of view of numbers and level of comfort, with 2.8 million new units being put into use during the period 1966-1984. Similarly, new social-cultural buildings were built, an impressive number of schools, hospitals, cultural facilities and cultural centers were built, the technical-material base of tourism in all the counties was developed at a sharp rate, and important modernization projects on communications were carried out throughout the country.

The territorial distribution of production forces and territorial urbanization and systematization represent, by virtue of their nature, complex and long-term processes whose effects are spread over time with decisive influences with regards to both the level of economic development of the country's geographic regions and the standard of living and material and spiritual well-being of current and future generations. In giving the appropriate importance to this main facet of the strategy of building a multilaterally developed socialist society, the 13th Congress of the party approved the new Program-Directive for the Economic-Social Development in a Territorial Sense for the 1986-1990 Period, a document which calls for remarkable, new quantitative and qualitative changes in all the counties, cities and towns of the country and the improvement, on this basis, of the conditions for raising the material and spiritual standard of living and working for all the citizens of socialist Romania.

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## MEASURES TO EASE UNEMPLOYMENT; NEW PROPOSED LAW DISCUSSED

Zagreb DANAS in Serbo-Croatian 12 Nov 85 pp 5-7

[Article by Zvezdana Jurkovic: "Unemployed Builders of the Future"]

[Excerpts] The data on the technical equipment for labor, productivity, and the use of capacity and working hours show the casualness of our attitude toward what we already have. From 1950 to 1982, the fixed assets per worker grew two and a half times, and the value of equipment three and a half times, while in the last 10 years alone we have imported industrial equipment worth \$20 billion. Nevertheless, about a third of the industrial capacity is not used at all, and it is estimated that 20 percent of those employed are a technological surplus. Work in industry is generally done in one shift, even though calculation shows that the introduction of two-shift work would increase production by 30 percent, considerably reduce the technological surplus, employ 200,000 new workers, and increase the rate of productivity by 10 percent!

In the last 3 decades, the social product in Croatia has grown at a rate of 6.1 percent annually, while employment has increased by about 4 percent annually. In spite of the rather marked expansion of employment, however, which in many opstinas was a spontaneous political action, unemployment grew like lightning. In less than 20 years, since 1966, the number of unemployed workers has doubled -- from 60,000, it has grown to 122,000 this year. In other republics, except for Slovenia, the situation is even worse. The problem of unemployment, however, is even more absurd because at the same time Croatia's associated labor cannot fill 7,000 jobs for which there is a shortage of workers, and currently even 900 directors' "armchairs" have not been filled. In difficult times people do not even want to be directors...

### Prospects

What are the possibilities for employment during the next medium-term period? It has already been announced that employment will occur at a rather peaceful pace, and this, translated into the language of numbers, means a growth of employment by 1.5 to 2 percent in the socialized sector and 5 percent in the private sector. The projections for the period until 1990 claim that this should make it possible to employ the entire contingent of newly registered applicants for work, and to employ some of the returnees and some of the



present contingent of the unemployed. In other words, nothing will be left, at least as far as Croatia is concerned, from the ambitious predictions of the SFRY Social Plan for Employment that by 1995 we would ensure full employment. The number of unemployed will range from 106,000 to 110,000, unless it goes beyond the latest predictions -- and it is unlikely that it will not do so.

This, however, by no means indicates that all the doors of associated labor are still closed to new personnel. It is just that now it is far more cautious in employment and in personnel policy; in contrast to previous years, when work experience was as a rule an essential condition for employment, regardless of the experience actually required, work organizations have now begun to make experience a condition for employment less often.

It seems, however, that there has been a turn toward trainees, since in most of the opstinas social agreements and self-managing agreements have been concluded on employing trainees for a specified time. This makes it possible for the unemployed to work in the organization for a specified time, in order to get the minimum work experience and in this way greater opportunities for permanent employment. Many organizations have used this same possibility, in which they do not have to employ the trainees permanently, and so last year almost 8,000 trainees were employed (148 percent more than planned) for a specified time and 5,400 for an unspecified time.

A considerable number of vehement and bitter discussions have resulted from the proposal that citizens create new jobs by pooling funds. Forgetting that more than 2,000 jobs have already been created in Croatia in this way, mostly with the foreign exchange of our guest workers returning from abroad, and that Slovenia and Bosnia-Herzegovina already have social agreements that regulate the collection of money from citizens, people in Croatia became involved in polemics that polarized, on one hand, those who support equality and access to every job for every unemployed worker, and, on the other, those who support using every possibility for employment, including this one. The entire action soon collapsed through the absence of a legal foundation for such a solution. But now the entire solution has been "raised" to the federal level, and a law can be expected in the near future.

Many warnings about its bad side are being heard, however, especially from the youth organization and the VSSJ [Governing Council of the Yugoslav Trade Union Federation], since the creation of privileges on the basis of the financial capabilities of the unemployed does not correspond to the logic of building self-managing socialist relations.

At the last plenum, many unused possibilities for employment were enumerated, and one of them is the idea of instituting a national bond for employment throughout the entire country. Perhaps the experience of Bosnia-Herzegovina, where subscription for the bond is to begin as soon as 1 December, will show how ripe the time is for such a step. Instead of the current rate of employment, 2.8 percent, in the next few years the number of those employed would increase at a rate of 4 percent, and by the end of this century unemployment would be almost completely eradicated in Bosnia-Herzegovina. This sounds much more realistic than many other "paper" plans.

[Interview with Stipe Tadic, assistant chairman of the Federal Committee for Labor, Health, and Social Security, by Zorica Nikolic: "Conscious Risk"]

[Question] A great deal is expected from a new federal law through which funds for creating new jobs would be collected from citizens. We asked Stipe Tadic, the assistant chairman of the Federal Committee for Labor, Health, and Social Security about the motive for passing the law.

[Answer] It is very easy to figure out -- the creation of one more possibility for new employment. In Yugoslavia we in fact have high unemployment, which ranges from 1.7 percent in Slovenia (the lowest rate in Europe), to 7.5 percent in Croatia, all the way up to 34 percent (the other extreme) in Kosovo. And as soon as a rate of 3 percent is passed, that, if I may say so, calls for concern. Furthermore, employment in Yugoslavia is also affected by a considerable number of our 600,000 guest workers in the West European countries, from 50,000 to 60,000 of whom have been returning annually throughout the past decade; now about 40,000 of them are returning each year.

[Question] Where was a basis found for passing this law?

[Answer] In addition to the Constitution and the ZUR [Law on Associated Labor], the basis can be found in the Long-Term Economic Stabilization Program, which among other things says, "Appropriate solutions should be used to direct the savings of citizens and remittances from those employed abroad into the production flows of the socialized sector." Thus, the basic strategic orientations of the working paper on this law have to do with implementing the positions stated in the Long-Term Economic Stabilization Program: reducing unemployment to a tolerable level as soon as possible without violating our established socialist and self-managing relations and principles of life and development.

[Question] It would also be interesting to hear an answer to the question of whether this does not violate them.

[Answer] Although it is often rather difficult to satisfy all of these conditions and reconcile contradictions, we must preserve our well-known principles at any cost. This law, in the final analysis, must do so. We must believe that the discussion that has been conducted, from the local communities and OURs [basic organizations of associated labor] to the SFRY Assembly, will make it possible to achieve a suitable document that will both contribute to greater employment and remain within the framework of the Constitution and the ZUR.

[Question] But in that same discussion, views were expressed that there are foreign ingredients in this draft law, and that the wealthy will be employed and the poor will be left without work.

[Answer] As soon as we provide such a possibility, it is obvious that in such situations those who provide the funds will have an advantage, since if it were not for these funds, the job would not exist. Such a danger will always exist when jobs are scarce. Such employment, however, will not be on a large scale. For example, we will employ all of the 1,750,000 new workers during

the next planning period without any contributions from them at all. It is true that it would be best if we could ensure employment in the socialized sector for all of our citizens. But, aware of the fact that we cannot yet do this, we consciously, if I may say so, incorporated this risk in all of our social norms. After all, why should this bother us more than having a citizen use his own funds to open a garage, a restaurant, etc., and in this way employ up to 10 workers, whom he mostly manipulates -- I swear -- despite all the collective agreements?

[Question] Could a worker who invests his money in creating some new job also become a sort of stockholder?

[Answer] It should be stated that a worker employed in this manner does not become anything else but a worker just like all the other workers in that work organization. The fact that he loans it money does not mean that he becomes either a co-owner or a stockholder, since his money will be repaid with interest, more or less, depending on whether he has requested employment in return for it or not.

[Question] What other possibilities are there for new employment?

[Answer] This law and the results that it could produce would be only one of several possibilities that should be sought and utilized in this regard. Of the other possibilities, for instance subscription to a national bond for employment, Bosnia-Herzegovina has gone furthest, while certain actions in this regard are also being taken in Kosovo, Serbia, Montenegro, and Macedonia.

The changes in the law on the investment of funds by foreign persons in our organizations of associated labor should also help to create possibilities for new employment. This law is now much more liberal for foreign persons, more acceptable and more stimulating. For example, that ratio of 51:49 in favor of our part of the investment has been eliminated. Now the foreigner can invest 100 percent of his own funds; it has been made possible for him to transfer the profit; the amortization payments are more acceptable to him; he has more influence in joint decision-making about the number and structure of the workers who will work in that organization; he has been exempted from paying certain social obligations, for example for ONO [Nationwide Defense], etc.

[Question] Is the private sector in Yugoslavia growing stronger or weaker?

[Answer] There are more and more opportunities for citizens to invest in the private sector. In addition to private handicrafts, trades, and hotels and restaurants, now in private agriculture in some parts of the country (Serbia and Vojvodina) owners can employ up to 5 workers, etc. A total of about 550,000 people are employed in the private sector outside of agriculture, of whom about 415,000 are owners and about 135,000 are workers. This number is not satisfactory in any case, since all of the prerequisites exist for a more rapid development of the private sector and of employment in it.

[Question] There are also the contract organizations of associated labor, of which there are 157 in Yugoslavia, and which employ only about 4,000 workers.

[Answer] Their number should also be increased more rapidly, both to strengthen the country's economy and also for the sake of new employment. This form of work has not yielded satisfactory results, and the reasons preventing this should be sought and eliminated. We should fight for a wide variety of forms of work and employment, provided that none of them goes beyond the framework of the Constitution and the ZUR.

Why do we need all of these forms? Because the socialized sector itself will not be able, in the near future, to solve all of the problems of employment that we have and that we will have.

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### BRIEFS

**SPRING PLANTING PLANS**--The Federal Committee for Agriculture said on 25 December 1985 that corn, industrial crops, and rice were to be planted in the spring of 1986 on a total of 2,888,000 hectares, or about 33,000 hectares more than was planted in the spring of 1985. As previously, the largest area, 2.25 million hectares, is expected to be planted in corn; this is 163,000 hectares less than in 1985. Increased use of quality seed, chemical herbicides/pesticides and fertilizers is planned; namely, 11.2 million tons of fertilizer is expected to be produced, or about 1.2 million tons more than was used this fall. However, it was noted that there will be a shortage of 7,000 tons of late hybrid seed which is used most because it gives the highest yields. The area under industrial crops (oilseed crops, sugar beets, and tobacco) is expected to increase to include areas which remained unplanted this fall and fields previously planted in corn. Thus, 180,000 hectares are to be planted in sugar beets, or 30,000 more than in 1985; 200,000 hectares in sunflowers, or 88,000 more than in 1985; 168,000 hectares in soybeans, or 68,000 more than in 1985. If, in fact, farmers comply with these plans, in 1986, 261,300 tons of edible oils can be produced, reducing imports to 65,000 tons. Agriculture will need 1.92 million tons of chemical fertilizers in the spring, and 50,000 tons of herbicides and pesticides. [Excerpt] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 26 Dec 85 p 1] /9365

**CONSTRUCTION IN LIBYA**--The "Ingra" enterprise in Zagreb has concluded an agreement with Libyan partners to build 2,800 housing units in Tripoli valued at \$250 million. This is one of the largest single agreements concluded up to now between our enterprises and Libya. According to the agreement "Ingra" will begin work at the beginning of 1986 and complete the project in 3 years. [Excerpt] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 20 Dec 85 p 12] /9365

**TRADE WITH ALBANIA**--A recently signed agreement between the FEC (Federal Executive Council) and Albania on 1986-1990 trade and the 1986 trade protocol are said to reflect the needs and possibilities of both economies. The 1986 protocol calls for a total value of \$125 million or an increase of 20 percent over the previous 5-year period. In the structure of Yugoslav exports machines and equipment will account for about 30 percent, raw materials for about 51.5 percent, consumer goods 7.5 percent, and services 1.2 percent. In the structure of Albanian exports electric power and chromium ore and concentrate will account for 91 percent, agricultural products for 6.6 percent, consumer goods 2 percent, and services 0.6 percent. [Excerpt] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 28-30 Dec 85 p 12] /9365

ARMS PRODUCTION IN 'ZASTAVA'--It is known that "Zastava" produces armaments, in addition to automobiles, but it is not known that its specialists design and develop them. Of the approximately 60 kinds of arms produced in the present program, only 2 are based on foreign license and not because "Zastava" specialists could not design them but for other reasons. It has become a rule in this factory that as soon as one product goes into series production, a new one must be on the designer table which will replace the one in production so that people and machines are constantly employed. Costs are high, especially for testing. The basic assets are people (70 percent of the employees are young people), and special attention is given to their training. The technical military academy in Zagreb offers 60 stipends; stipends are also offered in Belgrade and at the machine faculty in Kragujevac. These people [graduates] are employed in developing light (over 20-millimeter caliber) antiaircraft guns. Development in general in this field of production of arms and military equipment is becoming ever more complex, requirements are stricter, and it is being asked that parts produced in other enterprises be built in [to this equipment]. [Excerpt] [Belgrade BORBA in Serbo-Croatian 30 Dec 85 p 11] /9365

SERBIAN FOREIGN TRADE--Serbia proper completed 1985 with very good export results, namely 8 percent over 1984 (total Yugoslav export increase was 5 percent). The largest increase was achieved in the convertible market where 11 percent more goods and services were sold than in 1984 (the Yugoslav increase was 2 percent). Imports for Serbia were 7 percent more (compared to 3 percent more for Yugoslavia) and were 10 percent more from the convertible currency market (compared to 8 percent more for Yugoslavia). Considerably more enterprises were included in exporting than in previous years. Many of them up to last year did not export much. Included on the list of the 50 largest exporters in the republic, along with "Crvena Zastava" which gave its stamp to exports last year with the "Yugo," are the "Javor" clothing enterprises in Ivanjica, the "Bor" mining-smelter enterprise, the Cable Industry in Svetozarevo, "Viskoza" in Loznica, the Chemical Industry in Prahovo, "Krusik" in Valjevo, and the Metallurgical Combine in Smederevo. [Excerpt] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 8 Jan 86 p 1] /9365

URANIUM OXIDE PRODUCTION--The INA [Petroleum Industry, Zagreb]--Petrochemical Industry in Kutina is to begin construction in April of a semi-industrial installation for producing uranium oxide to be used as raw material for producing fuel for nuclear power plants. It is estimated that the first amounts of uranium-pentoxide could be produced during 1987. INA laboratory research to produce uranium from mineral fertilizers, or phosphoric acid which began in 1980 has been completed and the results are very encouraging; it is understandable that one is deciding on the semi-industrial production of uranium from phosphoric acid which contains 30 percent phosphoric-pentoxide. From this amount about 60 tons of uranium oxide can be produced annually which is as much as Croatia needs to produce uranium for the "Krsko" nuclear power plant. [Excerpt] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 9 Jan 86 p 1] /9365

CSO: 2800/129

POLITICS

INTERNATIONAL AFFAIRS

ROMANIAN MAGAZINES REVIEW BOOK ON 'HORTHY'S TERROR'

AU112035 Bucharest AGERPRES in English 1824 GMT 11 Jan 86

["Romanian Magazines About the Book Titled 'Horthy's Fascist Terror in Northwestern Romania, September 1940-October 1944'--AGERPRES headline]

[Text] Bucharest, AGERPRES, 11/1/1986--Bucharest's Political Publishing House has recently brought out a volume titled "Horthy's Fascist Terror in Northwestern Romania, September 1940-October 1944." Its coordinators, prestigious historians Mihai Fatu and Mircea Musat, and the authors of the studies--Ion Ardeleanu, Gheorghe Bodea, Oliver Lustig, Vajda Ludovic, as well as the other specialists who collaborated on the edition (Vasile Arimia, Vasile Bobocescu, Ion Calafeteanu, Fodor Ladislau, Olimpiu Matichescu, Ion Petroiu, Gheorghe Unc), leave the facts, documents, and the authentic testimonies they gathered and selected with scientific rigour speak for themselves about the horrors and crimes committed by Horthy's fascist regime in the territory of northwestern Romania occupied by Horthy's Hungary under the hienous fascist Vienna award of August 30, 1940.

The January 10 issue of the Bucharest weekly "FLACARA" a magazine edited by the Socialist Democracy and Unity Front (SDUF), carried a survey of the book, by reader Ioan Scurtu, D. Hist., highlighting the circumstances that governed the Vienna award, which the authors of the book show to have been "an odious attempt on Romania's national independence and sovereignty, on the integrity of its boundaries." Under the award, with Hitler's and Mussolini's consent, Horthy's Hungary invaded an area covering 43,492 sq. km, with a population of 2,667,000, well over half of which were Romanians (50.7 percent) and only 37.1 percent Magyars and Szecklers.

Ion Scurtu points out that, from the very beginning, the authors of the book expose the economic and state mechanisms whereby Horthy's rule of terror was set up and exerted over the occupied Romanian territory, as well as the repressive actions taken by the army, police, and gendarmerie, by nationalistic-chauvinist, revisionist organizations and other militarized or paramilitary institutions, the crimes of appalling cruelty committed by Horthy's occupiers throughout the four years of their rule over that area of Transylvania. References, accompanied by illustrative data, are made to the massacres and crimes committed by Horthy's troops at Trasnea (where 263

Romanians were murdered), at Camar, Cosmiciul de Sus, Ip, Pausa, Ciumarna, Simleul Silvaniei, Muresenii de Cimpie, Huedin, Mijlocenii Birgauii, and elsewhere.

"Concomitantly with such barbarian acts, Horthy's fascist regime applied an official, state policy of expatriation, expulsion and mass displacement of the Romanian population, as a deliberate way to alter, by using force, the numerical ratio between the nationalities in favour of the Magyars," the author of the survey shows in connection with other sections of the book, which prove that, as a result of pressure, physical and moral torture, over 500,000 Romanians were compelled to abandon their homes and possessions and seek refuge beyond the arbitrary demarcation line. In context, mention is also made to the systematic actions carried on by Horthy's authorities to plunder the occupied territory in favour of the Hungarian ruling classes, which were further measures meant to weaken the economic potential and to pauperize the remaining Romanian population, the expropriation of Romanian enterprises, the cancellation of the agrarian reform of 1921, the firing of Romanian employees, the arrest and internment in camps of 13,359 people, the deportation to labour camps of over 70,000 Romanians, of which 30,000 were deported to Germany; the survey also highlights other methods used by Horthy's government to alter the ethnic balance (with the Romanians holding the majority) in the occupied territory, as shown in the book, the forging of statistics, the "Magyarization" of Romanian names, the prohibition to use the Romanian language, wear Romanian folk costumes and practise Romanian customs, religious persecution, a.o. In connection with Horthy's Hitlerite policy of extermination of the Transylvanian Jews, it is shown that, out of the 166,601 Jews who lived in the occupied territory at the moment when the award was enforced, 151,180 were deported to Birkenau-Auschwitz, while another 14,881 were interned into labour detachments.

The author of the survey places emphasis on the testimonies included in the book regarding the atrocities committed by Horthy's troops against the communist and working class movement, the anti-fascist and democratic resistance in that area of the country, showing that after the successful beginning, on August 23, 1944, of the anti-fascist and anti-imperialist revolution of social and national liberation and Romania's disjoining the Hitlerite war, Horthy's repressive measures had increased. The author of the survey also points out that despite the crimes and oppressions of all kinds, "the policy of annihilating the majority Romanian population did not have the effect which Horthy's men had expected." A wide-ranging resistance movement led by the RCP backed the fights waged by the Romanian and Soviet armies for the elimination of Horthy's rule and the reintegration of that Romanian territory to the homeland.

Considering the volume as an outstanding achievement of Romanian historiography, which asserts itself through its thorough documentation and the force of its arguments, and as a tribute to the anti-Horthy resistance fighter Ion Scurtu, D.S., writes at the end of the survey: "The events mentioned in this book disclose the whole truth, the cruel facts one could hardly imagine, but which actually happened on the Romanian territory in northern Transylvania.



In light of those realities, the attempts that, either covertly or directly, are still being made to embellish the policy promoted by the fascist regime under Horthy's leadership, to cast the blame for what happened on other people, in fact, to absolve the true culprits from their responsibility, is a profanation of the memory of the hundreds of thousands of victims of those who, in the middle of the 20th century, revived the mentalities and tortures that characterized the Middle Ages."

In its January 10 issue, the socio-cultural and political weekly "CONTEMPORANUL" runs the first installment of the introductory noted to the volume, in which the authors outline the coordinates of the Romanian people's unitary development in its ancestors' hearth, in order to expose the odious character of the fascist Vienna award, the succession of crimes and horrors, destruction and iniquities to which the book is a staggering testimonial. In a commentary to the text, the weekly writes, among other things: "This work was required by the situation in which a series of inimical elements, imbued with revisionist and revanchist ideas, betrayed their country and fled from the Hungarian People's Republic seeking shelter in various Western countries, and who are ever more active in forging the truth about the Romanian people's historical right to the whole national territory, about the disastrous effects of Horthy's occupation regime on the Romanian people, on all the democratic and anti-fascist forces, regardless of nationality, in that area of Romania occupied over 1940-1944. Moreover, the volume was also required by the fact that, over the last few years, works and articles were printed in the Hungarian People's Republic, trying to rehabilitate Horthy's regime, to absolve it of the crimes and atrocities it committed against the Romanian people and other neighbour peoples, against mankind in general."

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POLITICS

INTERNATIONAL AFFAIRS

NATIONALITY LEADERS DISCUSS IMPROVED POLICIES IN HUNGARY

Budapest KRITIKA in Hungarian No 11, Oct 85 pp 18-20

[Article: "Nationality, Mother Tongue, Ethnic Culture"]

[Text] The discussion was moderated by Andras Janos Szasz (J.A.S.) of the Cultural Research Institute; he conducts cultural-sociological research on the Southern Slavs living in Hungary. His partners in the discussion were: Anna Gyivicsan (A.G.), adjunct professor of the ELTE [Lorand Eotvos University] Slavic Department in Budapest who has conducted research on the Slovenians living in Hungary; Sandor Gyori Nagy (S.G.N.), language instructor in the Foreign Language Department at the College of Transportation and Telecommunications in Gyor, who has conducted research on Hungarian German nationalities; Mihaly Kozma (M.K.), adjunct professor at the Teachers College in Szeged, who has conducted research on Hungarian Romanians (in his native village of Mehkerek); Laszlo Kovago (L.K.), department head at the Institute of Party History, who deals with research on nationalities living in Hungary.

J.A.S.: To begin our discussion, I will ask Laszlo Kovago to briefly outline how the present-day composition of our country's nationalities came about.

L.K.: It is worth taking 1919 and the changes introduced as a result of the Peace Treaty of Trianon as a starting point. Until that time, large blocs of nationalities lived within the previous boundaries of Hungary who possessed a strong national consciousness and strove toward nationhood, i.e., to become united with the mother country. Until 1919, nearly half of Hungary's population consisted of nationalities; after 1920 they hardly represented 10 percent of the population within the boundaries set by Trianon.

After World War II the number of nationalities further declined because of the relocation of the Germans and Slovaks, i.e., the population exchanges that occurred on the basis of the peace treaties.

J.A.S.: The 1941 national census still showed 661,276 nationalities. At the time, this represented 7.1 percent of the country's population. A decisive majority of them--475,491--was German-speaking.

In the last census taken in 1980, a total of 129,565 people, i.e., 1.2 percent of our country's total population, claimed to belong to a nationality. In

reality, the percentage of nationalities is naturally greater. Perhaps, the negative experiences of the past (especially resettlements) also played a role to a limited extent--or rather, to varying degrees, depending on the nationality --in the admission.

L.K.: In reality, the number of nationality inhabitants dropped dramatically, and after 1919, their character had also changed. The nationalities scattered, and for the most part, live in settlements having diverse populations. Today they are already bilingual which means that in most places their environment is Hungarian, and that for the most part the nationality inhabitants speak their mother tongue as well as the Hungarian language. More precisely, today they are by and large more fluent in Hungarian than in their mother tongue.

J.A.S.: For example, the situation of the Southern Slavs is interesting. When we speak of Southern Slavs, we are thinking of the Serbians, the various ethnic groups of Croatians and the Slovenians living in our country. For the most part they live in villages or settlements that are of mixed composition and that are scattered; in part, because of their small numbers they have few of their own intellectuals. This is a folkloristic peasant population with their own unique dialects (especially in the cases of the Croatians and the Slovenians) which diverge from the state language, i.e., literary language of the mother country.

I feel that this uniqueness is a particularly substantive issue with regard to the culture and language instruction of Hungarian nationalities...Thus, even in this respect the situation here is totally different than the case of Hungarians living in neighboring countries who live in large groups, have a large population, have intellectuals, and possess cultural traditions and a national (historical) consciousness. The crucial question is how the regional dialect used as the nationalities' mother tongue and the modern literary language recently adopted from the mother country for purposes of scholastic instruction could complement each other, or in a worse case, how the inappropriate introduction of the teaching of the literary language suppresses the use and knowledge of the dialect?

L.K.: This is a very important question! By way of introduction, let me emphasize that the situation of the nationalities' culture and language in Hungary deteriorated for a time even after the liberation. Even starting in 1948 a view pervaded that there is no need for a nationality policy because in the given situation, internationalism would solve the nationalities issue within 10-20 years. Consequently, the state administration cut back on the separate attention given to this question. The so-called theory of automatism reigned. In general, the nationalities policy was in this reduced state until the nationalities directive of the Politburo in September 1968. Only since 1968 can we speak of a more active and successful nationalities policy.

S.G.N.: It is indisputable that the earlier culture of the nationalities has undergone a transformation which also corresponds to linguistic changes. However, the issue is not that the nationalities' culture has disintegrated;

instead, we must speak of modifications. The earlier folkloristic village culture developed toward a particular type of urbanizing modification; in the case of the nationalities, a certain institutional lack of background language reinforcement influenced the change in the direction of the language modification. By this I mean that in the case of the nationalities, the cultural change in and of itself would not have led to the ensuing change in language if institutions reinforcing the language and supporting the mother tongue, nursery schools run in the nationalities' mother tongue, nationality schools that did not only teach language and, let us say, mixed-language schools would have been in existence.

M.K.: We are now talking about these issues as though we had been negligent after the liberation. The truth is that even amid the limitations of certain objective circumstances, there were other possibilities than the ones we attempted with regard to nationality policy and practices. We undertook to develop a minority school system without scientifically analyzing the real situation. We did not take into consideration factors such as that in Hungary the language of the nationalities had rather particular characteristics and, for example, in the case of the Romanian--and to the best of my knowledge this is true of the other nationalities--this was not identical to the Romanian state-literary language.

There were omissions on our part in other respects too. For a long time-- and this is partially true even today--the nationalities existed within an instinctual framework...Actually it was only during the past one to one-and-a-half decades that intensive research into nationalities and minority practices was begun.

J.A.S.: True. After 1968, we endeavored to remedy the negative consequences of the policy of automatism mentioned by Laszlo Kovago. However, even the remedies were not always implemented with suitable preparation. The introduction of the teaching of the literary language also had contradictory side effects. With the Croats I observed, as Professor Blazsetin from Totszerdahely just explained, that the regression of the local population's use of the mother tongue coincides with the introduction of the instruction in the literary language (1968).

The local population became insecure because in school their children were taught a language, a literary Serbo-Croatian, which differs from the local dialect, Kaj-Croatian. Emotional uncertainty appears: Which is really their own mother tongue?

I think a significant problem is that the starting point was not the local dialect, its stories and folksongs--that which emotionally binds the people together. Now we are starting to understand the importance of this, especially the intellectuals who were born there and return to their birthplaces to teach and work. I feel that the nationality intellectual (just as the Hungarians!) must pay more attention to the local communities, their culture and language usage.

A.G.: I think that this is a fundamental issue in our educational policy.

We could ask what effect the 30 year-, or today the 35 year-old history of present-day nationality language instruction has on the local dialect. Based on an examination of this in several villages, I would say that it has no effect. That is, knowledge and use of the literary language that is taught remains entirely in the school. The question arises whether in fact only psychological and emotional factors play a role or whether there are other factors lurking in the background? At the same time, I must also point out that during the last decades, interest in the teaching of minority languages has increased. After all, it has become evident at the nationalities congresses held to date that there is a great demand for good nurseries and school and there is a need for increasing numbers of nursery school teachers and teachers.

S.G.N.: In the German areas where I have done research, I also have observed that the literary German language taught in the schools, the so-called school language, has no effect--that is, this is not what affects the dialect. On the contrary, the remains of the dialect, inasmuch as they remain, definitely have an effect on the language-learning strategy.

I do not see this adequately realized in present-day nationality instruction. We must also take into consideration that the at-home language of the German families is also affected by the ambient Hungarian. The parent is no longer able to pass on the dialect (the mother tongue) to the children, at best only the grandparent can. It seems that instead of the mother tongue, only the term grandmother tongue (grandma-tongue) is in effect almost everywhere in Hungary.

M.K.: In the Romanian areas we also expected that if the nationality students received Romanian-language instruction in school, the Romanian spoken at home would be reinforced and that this would have an important effect from the viewpoint of nationality survival. The results were, however, contradictory. Qualitatively, the language knowledge of the Hungarian-Romanians increased, however, quantitatively there was an increasing drop with regard to the frequency of use. One effect, the qualitative increase, was produced by the school, but the quantitative decline was unfortunately caused by the lack of motivation. In the nationality areas the use of the dialect not only depends on how familiar individuals are with the language, but rather on their existing interests and the extent that their everyday activities are tied to the socio-economic activity of Hungarian society. Consequently, since they live in a Hungarian environment, usually despite the fact that they have obtained a higher level of Romanian language proficiency in school, they speak Hungarian in most instances. Thus, in this instance, taking a long-range view, there is perhaps no final solution; there is only one solution and that is for the schools to strive more energetically than to date to increasingly teach the language in such a way that it will be used. Therefore, in the instruction of the mother tongue, we must devote greater emphasis to polishing and refining the instinctively acquired language, because there are no literary, more refined linguistic opportunities for the instinctive, spontaneous use of the literary language. And the local dialect is very limited and originated from daily activities which are very different from present-day ones and was

a means of communication. With the changing of the environment and the swift passing of the old foundations, the dialect also dies out. There is no motivation for people to use it in their everyday activities.

J.A.S.: Let me also mention that, for example, in the vicinity of Sopron, in Kophaz, the Gradiste Croatians developed a very beautiful literary, archaic-literary language. They had important writers whose works are kept in family libraries. They read these. In church they listen to homilies that are spoken in this language. At the same time this language and culture are not suitably utilized in either scholastic instruction or in cultural-educational life.

But we could point to Felsoszolnok where bilingual (Slovenian-Hungarian) education was introduced in the lower division of the elementary school since the fall of 1984. I am curious whether the beautiful and rich folklore material that today and collected there will be included in the teaching and training in school. The Slovenian ethnographers who traveled here from Slovenia during the past years have collected several thousand folksongs from this area and have produced a nice album from them. They are regularly played on the radio, etc. They have incorporated the material collected here into an organic part of the development of modern-day Slovenian national consciousness.

Will the school in Felsoszolnok realize the valuable, freely available ethnologic and cultural material that is at its disposal in its environment for the teaching of the mother tongue and love of the mother country?

M.K.: Yes! We could perhaps break out of the magic circle along this route. That is, in my opinion, it is only possible to have a more widespread and extensive preservation of culture in conjunction with a more vigorous national consciousness. I feel that we have far too long forgotten a basic truth. Just as there can be no national consciousness without a knowledge of national history and culture, this is just as true for the nationalities and ethnic consciousness. In the final analysis, the syllabus in the Hungarian-Romanian schools does not include elements at all which are relevant to the children's own particular ethnic existence--their Hungarian and ethnic existence along the banks of the Koros; instead, Romanian history and culture are generally taught. Even in instances where we could use domestic examples, we talk of living situations and cultural treasures in Dobrudja or Moldavia. Or rather, the cultural treasures that have a more immediate bearing on the mother country should also be brought to light. Additionally in the final analysis, the Hungarian-Romanians are not sufficiently acquainted with their own history, without which, in my opinion, it is impossible for a more active ethnic consciousness to develop.

J.A.S.: Educational reforms must also be further developed in this respect. It would be important for schools to have greater independence. This could provide them and talented enterprising teachers with greater opportunities to include ethnic culture and arts that may still be found in their areas in the schools' educational and training work. Without a love of the mother land and tongue, an emotional identification with the same and the incorporation of its values into our personalities, there can be no intelligent and

lasting love of country, only rootlessness, both in ethnic and national consciousness. Without this, "universal" history and cultural history have no true meaning or anything to say to us in reality.

L.K.: Truly, the problems relating to the education of the nationalities are essentially identical to those appearing in the Hungarian areas. I also agree with what Mihaly Kozma raised, that the schools must become more involved in forming ethnic consciousness and should deal more vigorously with history and other nationality matters. Actually, the Ministry of Culture has already taken the lead at the beginning of the 1970s when it prepared the nationalities history syllabus for elementary and nationality high schools and published the nationality history supplementary textbooks.

M.K.: These textbooks that you mentioned contain material which--besides being very useful--generally relates to the history of the Romanians. However, the nationalities are precisely that because they are in a unique situation. Since they feel that the dialect is their mother tongue, accordingly the culture of this region, in a broader sense the Transylvanian region, should be incorporated into the schools' syllabuses. In these instances, the pedagogues are naturally upset because they claim that they have to do everything, but there is no other institutional framework in existence for this other than the schools. Therefore, it must be incorporated into this material. In this respect, the entire school curriculum should be revamped to accord space to the historical culture and traditions of Bihar and the region on the banks of the Koros, and also to the traditions of the nationalities in Hungary; further, it would also be necessary to be selective.

A.G.: It became apparent at the nationalities congresses that there is a desire to create new nurseries and schools so that ethnic education could be increased in scope and breadth. The question is whether nationality educational policy, and educational policy in general, is able to keep pace with the demands. It turns out that we are unable to supply well-qualified nursery school teachers and well-trained teachers who are specialized in Slovenian, Romanian and German studies. That is, the language training in Slovenian, Romanian, Serbo-Croatian and German which is offered in the teachers college is not carried out within the proper institutional framework. The nursery school teacher and the student teacher receive two hours of language training per week but it is not the kind of in-depth instruction that we are talking about here. Thus, we are only able to satisfy the needs if we institute changes in the educational system as a whole--this also includes higher education.

S.G.N.: I attribute a great deal of importance to the democratization of not only the school system but of our entire system including the easing of centralization in solving the nationalities issue, so that the organic culture--here we obviously also mean village culture--which has evolved over centuries would not be dependent on a centrally made decision, in the sense that it would determine the future of a village--because I believe that organic thinking, either as a method or as a strategy, is not particularly characteristic of us. For precisely this reason, this would serve as a very important

concept for dealing with cultural affairs; and within this, it would obviously also facilitate the survival of the ethnic cultures to a great extent.

From the viewpoint of urbanization, a special problem is that the village residents in the ethnic regions have become city dwellers to a significant extent. The retention or loss of the nationality mother tongue in an urban environment is directly related to spheres of interest. Insofar as no value can be associated with the nationality language, i.e., inasmuch as the knowledge of a nationalities language cannot in some way become valuable in an urban existence either by the reunion of the community in an urban setting or by its integration into the economic processes, the preservation of the nationality language in an urban setting will be fraught with serious obstacles.

A.G.: I would like to add just one more thought. What we desire is that the nationalities' culture and language become more vigorous, moreover in such a way that the individual be totally familiar with Hungarian culture while the nationality culture also survives. The question is how this could be achieved and how the nationalities themselves view their situation. There are very few people in Hungary today whom we could say are ideally bicultural. I think that the reasons for this are historical. By this I mean that in historical Hungary, primarily after 1919, an ideal type of family or individual who is conversant in both cultures and languages did not develop. To a certain extent, this is not true of the Serbians where there was a strong intellectual class and church. Therefore, we should put this new model into practice if we want to continue to preserve the nationality languages and cultures.

L.K.: As I see it, in Hungary increasing assimilation or merging into the Hungarian people and the disappearance of the nationality languages are two phenomena appearing side by side; in parallel with this is the strengthening of the nationality awareness--which is associated with the increased cultivation of the language. This is especially perceptible and also statistically provable by the fact that in Hungary since 1968, i.e., since the activation of our nationality policy, approximately twice as many students are studying nationality languages as before--not to mention nursery schools where energetic developments have been introduced. Approximately 10-12 times more children attend nationality nurseries today than in 1968.

Further, I think it is important that nationality ethnology has developed very strongly--compared to 1968, the number of nationality folk groups have increased 4-5-fold. I think it is particularly important to mention that before 1968, there were no nationality language-education clubs in Hungary, and since 1968 this movement has expanded rather vigorously with all the nationalities. Today there are nationality language-education clubs not only in the villages but also in cities, as for example in Budapest, Pecs and Szeged. This means that in Hungary the basis and fertile ground for the strengthening of the nationality languages and cultures exist and the contention of those who, in the spirit of automatism, are still saying that the nationalities are indifferent to their own languages and cultures is untrue. Thus, not only are there negative results or unsuccessful efforts in the area of language instruction, but we may also speak of positive developments. It is very important to remember this.



I would like to bring up one more issue in addition to what has already been mentioned and that is how the relationships between the nationalities and their mother countries have developed. The way in which the relations of the Slovak, Romanian, Serb, Croat, Slovene and German nationalities living in Hungary were formed with the mother country is very important. Our nationalities policy has always encouraged these relations which, however, have not always developed as one would have liked or as they should have. This is because in international minority policy, the theory that the nationalities issue is a domestic problem has become dominant. Thus, no matter how much we would like to expand the relationship, it is impossible to do so unilaterally. Certain neighboring states citing this international principle obstruct the expansion of relations between the nationalities and mother country, and this very definitely has an effect on the development of the nationality culture and language. I think that one of the most important developments in Hungary is that since 1976, nationality book publishing is proceeding systematically within the framework of the Tankönyvkiado [Textbook Publishers]; nationalities publishing has developed quite nicely and in parallel with this, so has the reading done by the nationalities.

S.G.N.: The relations with the mother country are a very important issue. In the case of the Germans the situation is contradictory, because the majority of the Germans in Hungary originally came from southwestern areas in Germany while others are from the Austrian ethnic group and their presence resulted from their extension into Hungarian territory. And our relations with these nations to this day still conflict with numerous questions which must be clarified on a political level. This is also one of the cardinal points of our nationalities policy.

A.G.: Finally, since we are discussing the current situation of the minorities I would like to emphasize something that has been mentioned--that after 1968 tremendous movement began which, I think, often the nationalities themselves had not realized. Today new forms are being sought in the Slovak nurseries, clubs and libraries. To give an example: There is a bilingual school in Bekescsaba, and Slovakian is also taught in six other schools there. So-called Slovak days are held in the language-education schools; thus, where the syllabus originally called for 4-5 hours of instruction of the Slovak language, the school established entire Slovak days which encompass not only language but also the teaching of local and Slovak culture. After 1968 there were Slovak settlements that became involved in Hungarian-Slovak cultural activities in which we previously did not even think that Slovaks lived because we considered them to be totally assimilated villages. Here I am referring to the Slovak villages in the Bakony, in the county of Veszprem, or the area of the Kiskoros between the Danube and the Tisza which even at the turn of the century was thought to be a totally Hungarian settlement. It was discovered that since 1972 after the county and city councils turned their attention to that area, Slovak language instruction was begun, a Peacock-circle is operating, a Slovak country house was established and contact with the settlement in Slovakia where a few families relocated in 1947 from

Kiskoros was reestablished. They now have a very active cultural and economic contact with these settlements which means that the people are beginning to appreciate their own culture much more, and their awareness is also being increased by the fact that their culture is appreciated there and at home too.

J.A.S.: Perhaps in summary we could emphasize the principle and lesson that any nationality directive and policy is only as good as how effectively it can be implemented based on the democratic relations that have been developed. Consequently, a country's nationality policy can be no more than what its politics are in general.

In closing I would perhaps emphasize that with respect to the relations of the minority and majority as it is applicable to our country, advances in solving the nationalities problem is inseparable from the development of our society's democratization as a whole. The strengthening of the nationalities' consciousness along a healthy and organic path without the strengthening of the majority Hungarians' own consciousness is unimaginable.

The democratization of the school system and its increasingly expanding reform may also bring about the development of advances in nationality education. That is, not only is it necessary to strengthen the emotional bonds with the motherland and the involvement in the teaching of the traditions of a given region and ethnic group in the nationality schools, but also in the majority Hungarian schools. Democratization expanded in an organized fashion could support the healthy consciousness of a given village-settlement; this could not only reinforce the capacity to retain inhabitants of small villages but also that of the villages which are being deserted. The modification of the election laws and certain opportunities for unification which have opened up along with interest and heightened expectations directed towards them show that we are currently undergoing significant changes--at a time when unilateral centralized thinking (and dependence!) is beginning to be counter-balanced by multifaceted interest representation from below on the part of the communities. It may be expected that all this will necessarily bring about further positive developments in nationality policy and also in the lives of the nationalities...

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CSO: 2500/61

POLITICS

INTERNATIONAL AFFAIRS

ALBANIAN LEADERS' MESSAGE OF THANKS TO ROMANIA

AU201340 Bucharest SCINTEIA in Romanian 18 Dec 85 p 7

[Text] To Nicolae Ceausescu, president of the SR of Romania: To Constantin Dascalescu, prime minister of the Government of the SR of Romania.

We thank you for the greetings addressed to us on the occasion of the national day of the Albanian people.

We use this occasion to wish the friendly Romanian people prosperity and happiness and to express our wish that the relations between the two countries will develop according to the interests of our peoples.

Ramiz Alia, chairman on the Presidium of the People's Assembly of the People's Socialist Republic of Albania;

Adil Carcani, chairman of the Council of Ministers of the People's Socialist Republic of Albania.

/9599

CSO: 2020/66

POLITICS

INTERNATIONAL AFFAIRS

BRIEFS

CONDOLENCES ON MINING ACCIDENT--Comrade Constantin Dascalescu, prime minister of the Government of the SR of Romania, has sent a cable to Comrade Zbigniew Messner, chairman of the Council of Minister of the Polish People's Republic [PPR], in which he conveys sincere condolences in connection with the catastrophe in the Walbrzych mine. Sentiments of deep compassion are also conveyed to the bereaved families. [Text] [Bucharest SCINTEIA in Romanian 25 Dec 85 p 5] /9599

CSO: 2020/66

POLITICS

ALBANIA

NEXHMIJE HOXHA'S LIFE, POLITICAL ROLE VIEWED

Zagreb VJESNIK in Serbo-Croatian 31 Dec 85, 1, 2 Jan 86 p 7

[Article by Pero Zlatar: "The Widow Begins To Speak"]

[Text] During Enver Hoxha's 41-year rule in Albania, one of the bizarre riddles that aroused the curiosity of foreigners was the unknown person who was his wife, Nexhmije.

That educated intellectual from the well-to-do family of a Diber wholesaler, 5 years younger than her lifelong chosen companion, lived in the deep shadow of the Commander. She rarely and reluctantly appeared at public gatherings, and when she did accompany her loquacious husband, she usually remained silent.

Even though she belonged to the communist movement at least as much as General of the Army Hoxha, even though at the end of 1941 she was selected for the five-member politburo of the recently established illegal communist youth organization, even though she went to war in 1942--at the same time as Enver--Nexhmije Xhuglini, who after the occupation of the country broke off beginning study in Italy, chose the role of wife of the leader of the people. Only second in importance were her other duties: member of the Central Committee of the Albanian Workers Party and director of the Tirana Institute for Marxist-Leninist Studies.

She gave birth to three children: first to daughter Pranvera (today a language teacher and wife of a stage actor) and then to two sons, Ilir (an engineer in a tractor factory in Tirana that bears his father's name) and Sokol (counselor in the Albanian Embassy in Paris, the city in which Enver Hoxha lived and unsuccessfully studied from 1931 to 1933). Nexhmije Hoxha has seven grandchildren.

When Mehmet Shehu was the second strongman in Albania, the few foreign diplomats who worked in Tirana compared Hoxha's wife to Shehu's aggressive, meddling, and publicity-hungry spouse, Figrete, who was also a noted partisan and in peacetime a high-ranking party activist. The former impressed them as incomparably more dignified and wise. In contrast to the lively Figrete Shehu, who, following the suicide of her husband, has been languishing for 4 years now in some prison, Nexhmije never mixed in Enver's affairs or planned the careers of his associates.

During the period of imitating the Chinese Cultural Revolution in Albania at the end of the 1960's, when the Tirana leaders blindly copied everything that arrived from the big country, any attempt to identify Nexhmije with Mao's ambitious, radical, and merciless better half could not take hold in the columns of the Western press because, simply stated, it was inappropriate.

Only after Shehu's fall, when Enver Hoxha carried out the last of his 11 brutal purges and, suspicious of even his most reliable followers, distrustingly went into a shell, did Nexhmije's activity suddenly begin.

It is no great secret that she is the creator of the Commander's unrelenting Great Albanian doctrine concerning the problem of Kosovo and the other Yugoslav areas in Macedonia and Montenegro that are inhabited by Albanians. She goaded him into sharpening relations with Yugoslavia and igniting irredentist forces in the region.

It is even less of a secret that Nexhmije decisively influenced Enver, a year before his departure from the scene, to finally and unconditionally designate Ramiz Alia, who was born in Shkoder of a Kosovo family, as his successor in the combined functions of chief of the Workers Party and state.

Alia, 60, has not shown himself to be ungrateful and has not forgotten the services of Enver's widow. Today she is his most trusted adviser, and her word carries much weight. Nexhmije Hoxha is the spiritus agens of the hard lines that the first secretary of the Albanian Party proclaims and undersigns. With frequent speeches and articles she successfully safeguards from digressions and oblivion Enver's code of Stalinist conduct in the state and party internal and foreign policy "of the only true socialist and Marxist-Leninist country in the world."

/9365

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POLITICS

HUNGARY

PPF FIRST SECRETARY DISCUSSES ORGANIZATION'S ROLE, DUTIES

Budapest FIGYELO in Hungarian 28 Nov 85 p 3

[PPF First Secretary Imre Pozsgay interviewed by Gabor Karsai: "Reform and Self-Government"; first paragraph is FIGYELO introduction]

[Text] The 8th Congress of the PPF will convene on 13 December. To mark the occasion, Gabor Karsai has interviewed Imre Pozsgay, the first secretary of the PPF.

[Question] In your speech at the 13th MSZMP Congress you said, among other things, that the conditions for social and economic progress must be improved through good relations with every class and stratum of the population, rather than through intensive party life. Does this not apply to the PPF as well?

[Answer] The PPF is both intensive and extensive. It is extensive in the sense that it appears to function as society's maid of all work. Besides being a political coalition to which the party, the trade union, the youth federation, the women's movement, the churches and many other organizations belong, the PPF also has its own particular responsibilities. These include, for example, the organization of voluntary work, consumer protection, and the operation of a system of public forums for wider discussion of public issues. Here we should mention especially the sound policies on the development of settlements, or environmental protection, family welfare, and so on. This is why we may say that the PPF is indeed a very extroverted, extensive organization. As another way of putting this, the PPF is the broadest and most comprehensive movement within society.

[Question] Has the PPF acquired these many different responsibilities on the principle that there is nobody else to discharge them?

[Answer] Besides being a political coalition and performing certain tasks that public law has assigned it, the PPF is indeed performing primarily the local public functions that are not the responsibility of any other civic organization. Thus, among others, the local councils whose conditions are similar --for example, the local councils of small settlements--did not have any opportunity to condense into a national problem their specific interests and concerns. Still unsolved is the representation of public interest in matters involving nature conservation and environmental protection; or more accurately, that decisions in such matters take the public interest into consideration, commensurately with its importance.

Somebody has to take care of such matters. Everything that concerns the citizens is the PPF's responsibility. But the PPF must see to it that it is involved only in the politics of the issues. In other words, it must help to formulate the different interests and then to reconcile them.

However, the PPF is not only extensive, but also intensive. There has evolved a peculiar structure of Hungarian public life that includes the "trade unionists," "KISZ activists," "feminists," etc.; and then there are also the "PPF activists." These machines may be operating too introvertedly, and their relations with the citizens and their own members may not be strong enough. Perhaps it is also typical of the "family" of PPF activists that in some places they accept their rather downgraded social and political role.

We are now seeking a way out of this situation. I do not think that a quick, spectacular turnaround is possible, or that the congress will solve everything. However, we would like to abandon the ceremonial, formal and declarative elements, and to help consolidate by every means the self-governing corporative associations that make people "feel at home" within society. If we do not succeed in this, then we will be unable to end the intensiveness, and the PPF will remain the cause of a narrow group of "PPF activists."

[Question] If the PPF is to have authority within society, I believe it must speak out on national political issues, assume a role in local public life, act with initiative to uncover the citizens' views and interests, and provide forums before which the citizens can express themselves. What role does the PPF play in deciding the big social issues?

[Answer] The Constitution specifies the PPF's role in the electoral system's operation and in drafting legislation, respectively the local PPF committees' role in enacting ordinances.

However, the system of forums for public debate has not been clarified. Only a few thousand citizens participated in the public debates on some of the bills, but hundreds and thousands attended the debates on other bills. Either solution involves political risk. I do not mean that people might express also views that are not very flattering, because these days people tend to speak their minds even without public debate. The risk lies in that people expect their views to be reconfirmed in some way. Otherwise people will not believe that their intended role is not merely a rubber-stamping one. Naturally, everybody cannot be right in a debate. But this, too, must be made clear; frank debate must be accepted; and the reasons underlying the compromises must be explained. Regrettably, this part of the public debates is usually omitted. There is a surge of activity, and people are able to speak out. Yet they lack a sense of satisfaction, because they do not feel that what they say is being taken seriously even when it is perhaps rejected.

The public debates held up to now had also another unfavorable trait: ordinary citizens, unfamiliar with professional issues, were not briefed adequately and in a readily understandable manner, and this naturally detracted from the quality of the debate. This creates the false impression that it is not worthwhile to establish democratic forums.



[Question] Has any legislation been enacted that specifically the PPF proposed?

[Answer] In 1983, the PPF National Council initiated the review of the entire concept of the policy on the development of settlements, by submitting its own standpoint on this issue to the Council of Ministers. The new concept that the government drafted, and the National Assembly subsequently enacted, already contains provisions for self-government.

[Question] The PPF also took part in the public debate on the 7th Five-Year Plan. From what special aspects did the PPF comment on the draft plan?

[Answer] In the same way as the other participants in the public debate, we too supported the plan's basic objectives. And again typically, we too added our supplementary list of demands. Such as, for example, that the plan must not come into conflict with the concept of the policy on the development of settlements, with the law on environmental protection, or with the efforts of our birth-rate policy and social policy. We are aware, of course, that resources are limited. But if there is going to be slow growth, we must try to do something at least about these issues that directly affect society.

These are the most important areas with which the PPF would like to concern itself also continuously, and which the PPF as a corporative organization would like to discuss after the congress with the government and its various agencies. For example, we would like to achieve that no statutory regulations may be enacted by circumventing the National Council on Family Welfare; or that no project affecting the natural environment may be started before it is discussed in a public debate organized by the PPF Committee on Nature Conservation and Environmental Protection.

[Question] This will be meaningful, in my opinion, only when the PPF works to explore the real interests and views, instead of supporting some administrative machinery's opinion that carries public debate's seal of approval. Is the PPF machinery suitable for undertaking such work?

[Answer] Instead of an administrative machinery, the exploration of interests requires the establishment of forums before which the interests can be voiced. Very many people are working in the state agencies and voluntary organizations of our country, and I hasten to add that they are doing a large amount of work. However, a smoothly functioning corporative system could do their work more simply and efficiently. Even a large part of our huge controlling machinery would become superfluous if basically the market were to control the enterprises' operations, and self-governing organs were to control the institutions.

[Question] How could the importance of the PPF be enhanced?

[Answer] First of all, it would be good to realize that the PPF could contribute more effectively than up to now toward gaining social acceptance for the various decisions, if it were allowed to participate meaningfully also in the thorough elaboration of the decisions.

And so far as the authority of the local PPF organs is concerned, we would like them to establish everywhere a similar relationship with the other local agencies as exists between the PPF National Council on the one hand, and the central government and the central party organs on the other hand.

[Question] But there is a wide gap between the PPF committees and the local residents, at least in Budapest. In most cases the residents do not even know who elects the PPF committees or when the elections are held.

[Answer] Unfortunately, this is partly true. Even some senior PPF officers were not aware of the elections at their places of residence. This is a manifestation of the already mentioned intensiveness, of the concentration on public events. In some places the organizers feel that their work is done when they have been able to get 200 or 300 people to attend an event.

[Question] Up to now we have been discussing the PPF's political role. Where does the PPF stand regarding the process of economic reform?

[Answer] The PPF supports reform. And by reform I do not mean merely the modification of this or that economic regulator, nor the reform of the economy alone. After all, the problems of the economy cannot be divorced from the conditions within society. Reform applies to entire society's activity. It means the creation or unfolding of the possibilities for society's action and initiative.

[Question] Economic reform appears to lack mass support, and its propaganda seems weak.

[Answer] I concur with your opinion. And this is a great misfortune because it thus has been or is easy to blame inflation and the economic difficulties on reform, unlike in the years around 1968 when high growth rates were typical. Actually the economic difficulties accumulated when the reform ground to a halt. We ought to spread awareness of the fact that reform is necessary specifically to enable us to resolve our problems; that modernization of our system of macroeconomic management is the cause of not a small circle but of entire society; that reform is a program affecting the sum total of the economic and social conditions of the people, and not maneuvering or toying with modifications.

[Question] Although the reform certainly liberates great energies for action and is a prerequisite for sustained economic growth, and even for avoiding a recession, it indisputably has also unpleasant side effects. The production structure's transformation, for example, could be accompanied by the closing of workplaces. How can we condition society to accept these conflicts?

[Answer] First of all, we must frankly state what would happen if the reform process were arrested; in other words, how great is the risk of jeopardizing the stability of the entire economy just to preserve local stability.

We must strengthen self-government and the corporative forums. This can reduce also the probability of wrong decisions. If the citizens feel that they too have some control over their future, they will be more active in seeking solutions.

Also from this point of view, I find the mixed reception of the community development contribution very edifying. This tax presupposes that the councils everywhere are already functioning as self-governing bodies, whereas in fact they are not. In many settlements the development objectives have been set according to the logic of the machinery's thinking, rather than on the basis of the local residents' interests. Which irritates the local residents, and therefore they vote down the community development contribution. This is a warning that we must engage in politics in a new way, placing the citizen one notch higher in politics than up to now, expanding his rights, recognizing and even encouraging his initiatives, and organizing the forums for presenting such initiatives. Only such a citizen will feel an inner need for duty, order and discipline. Only in this way can we expect better performance and more responsibility. In this the PPF could play an important role.

In other words, the economic reform's continuation presupposes the broadening of political democracy, and the perfection of its system of forums to make it more meaningful.

1014

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POLITICS

HUNGARY

# CAUSES OF, REMEDIES FOR LOW KISZ MEMBERSHIP DISCUSSED

Budapest TARSADALMI SZEMLE in Hungarian, Dec 85 pp 58-62

[Article by Peter Schiffer: "The Need for a Common Denominator"]

[Text] Research in the interrelationships of social processes and political phenomena always surfaces sensitive problems. I believe that a study of the current problems in the KISZ [Hungarian Communist Youth League] youth movement will now meet with greater interest than before in broad public opinion. Those taking positions at the highest political levels and young people and adults who have a daily relationship with the Youth League turn with critical and analytical intent to the numerous problems regarding KISZ activity and operations.

The Youth and Public Opinion Research Group of the KISZ Central Committee began in 1981 to study the features and characteristic content of KISZ organization and influence in three major youth groups--the young manual workers employed in industry, university and college students, and secondary school students. (Footnote 1) (The medium term plan (1981-1985) for research projects to serve in establishing the scientific bases of youth policy. Research entitled "The KISZ Organization and Influence in Certain Youth Groups" as the guideline to MTA [Hungarian Academy of Sciences] ministerial-level main direction 6.) In our work we proceeded from the same area of thinking and the same conceptualization of the problem that occupied the researchers and the KISZ leaders. About 30-33 percent of the young people who are in the so-called "KISZ age" bracket belong to the Youth League, which is the only political mass organization of Hungarian youth. (Footnote 2) (We regard those in the population who are between 14 and 30 years old as of "KISZ age." But at the present there are about 120,000 KISZ members who are over 30 years old. Following a party Central Committee resolution of October 1984 a study is being made of the question of age limit.) We must study and analyze those efforts, interests, goals and activity possibilities which attract young people to KISZ; what causes others to remain outside, what causes inactivity among those who belong to the organization and what keeps others at a distance from the organization. And does KISZ influence non-members?

It is a striking fact that the ratio of KISZ members among those at secondary school institutions was formerly 90 percent, and even today exceeds 70 percent.

If we continue our calculations on the basis of this figure, we will find that since 1963-1964 the majority of every age group that completed secondary school or skilled workers' vocational school belonged to KISZ membership. As a matter of fact, from the first half of the 1970's to the early 1980's more than 80 percent of the post-1956 age groups received membership cards upon reaching age 14. Nevertheless, in a given period, in a movement year, only one third of the KISZ-age population were members of the League. This is also a fact which prompts everyone with ties to KISZ to do some thinking. All these things, of course, do not occupy only the researchers. In the course of our work numerous political and economic leaders, KISZ members and KISZ leaders, and young people who are not members asked: "What kind of organization is KISZ, why does it not operate more effectively and with greater attraction?" One cannot provide an answer to the entire question in a single study, it is impossible to introduce all the factors and interrelationships. In the following I shall discuss several of the problem areas that are considered important.

In studying the Youth League and its organizations, one must always address the question: What does the substance of KISZ operation and activity depend on? At what level does the internal solidarity and the effects of the membership shape and to what extent do the social requirements fill out organizational activity and its quality? These questions have to be asked because otherwise it will not be possible at all to give rational answers and to provide recommendations for solutions to the political and educational questions relating to KISZ.

Our starting point must be that KISZ as a whole and in its organizations is the only political organization in the political system of our society which is by declaration a party organization, directly led by the MSZMP. This characteristic connection is natural, but we must not overlook it because many problems are related to this situation, including the official limits and forms of its work, its "adult" features, and the ratios of its institutional and movement character. It has been possible to discern that the basic and other organizations of KISZ have become more strongly embedded than other political and mass organizations in the economic, institutional, educational institutes and economic organization--or in a word, environment--which gives it operational and organizational framework. The activities and operational conditions of KISZ are determined by the activities and the economic political climate of the host organization (factory, enterprise, institution, school, university, college, city, community, and so forth). As a result it is important in what way and under what conditions the host organization fulfills its basic functions.

Therefore when we want to evaluate KISZ activities, it is essential that we also study these organizations. But with this we cannot exempt the youth from the task and responsibility of choosing an independent program and from organizing its own community in a way that points beyond the organization's place of operation.

The strong social matrix, the dependence of the organization on its environment, and the "adult" society allow us to understand why there are so many different images of KISZ in our society.

There are those who demand KISZ to give an accounting of the past, ignoring the fact that in nearly 30 years almost everything has changed. To put it in the spirit of Heraclitus, only the river remains the same but not the water, the sand or the bathers. They do not consider the fact that new generations have grown up and that the society has undergone changes. Thus they will look in vain to the present-day KISZ for the youth movement that existed 3 or 4 years after 1956. They will not find it, because it is not to be found.

There are those who demand that KISZ give an accounting of party discipline. Some would like to see it as a vanguard organization, forgetting the fact that we are dealing with a mass organization in which the norms of party life cannot be realized.

There are those who would like to see all Hungarian youth in KISZ. They do not see the necessity of having a KISZ among the youth that may embrace increasingly wider groups of young people. A larger KISZ membership does not in itself mean a better KISZ, but it is important for youth as a whole to have a KISZ that can in fact measure up to political expectations, social functions, and the organizational and movement demands of the young.

There are those who without any rational reason regard KISZ as unnecessary. They do not know, or do not want to know, that the major groups of youth, if not young people as a whole, need an organization with a political character, and if KISZ were eliminated they would seek to reorganize the activity in some similar framework.

There are those who regard what exists as good and are of the opinion that basically KISZ meets the demands that are placed on it.

There are those who would like to see KISZ as one organization among the many youth organizations.

There are those who say that KISZ is what is possible under present conditions, without excluding the possibility that it could be better.

We have also encountered those who demand an accounting from KISZ for everything that is a phenomenon related to the youth and young people. It places responsibility on the Youth League for all the negative manifestations whose authors and participants are youth. This is equivalent to the point of view that KISZ deals with too many matters and cannot, therefore, perform any one of its tasks properly, i.e. tasks and possibilities are not in agreement.

Some regard KISZ as an educational organization and are of the opinion that it should educate the young on issues regarding politics, morality, world view, historical past, patriotism and internationalism. They hold to the position that KISZ has the primary responsibility in these areas, and they overlook the fact that society as a whole also teaches, and within this framework schools and educational institutions have no small responsibility.

More and more strikingly represented is the view that KISZ must defend and represent the interests of youth. But little is said of the conditions whereby this would be done, or the social circumstances. We should not fail to mention an opposing point of view that consciousness and not interest should be determining in political organization.

There are many who challenge the record in politics and politicizing, censuring KISZ for the lack of such activity. They regard it as necessary to realize a more definite political profile in the activities of the Youth League. There also exists an expectation which regards all the above as tasks of KISZ. But there is also a concept according to which KISZ does not fulfill any of its functions well, and it would be desirable if it were competent in all questions relating to the foregoing. All these things indicated that we cannot speak of consistent expectations regarding KISZ among the "adults" or youth. The October 1984 resolution of the MSZMP Central Committee on youth policy, and the resolution of the 13th Party Congress both presented views on KISZ, evaluated the Youth League and specified its tasks. These forums and documents as well as the views include numerous critical elements, and it is evident from these that KISZ, which is undergoing a transformation, must relate itself in a new way to interest representation, the questions of education, the requirements of a unified organization, and demands by the sub-groups.

What kind of processes and conflicts are latent in the views and evaluations?

To answer this questions we must analyze three interrelated clusters of phenomena:

- 1. organization of KISZ activity;
- 2. problem of interest representation and interest protection;
- 3. activity promoting the economy.

The movement character in the KISZ organizations and organs has weakened and in some cases vanished. The youth hardly organize activities within the KISZ framework; it is more characteristic to search for young people who fit the existing organizational forms and tasks. Therefore it is a recurring problem that program planning efforts are made at the top, but these do not become the everyday content of the organization, the membership and the youth activities.

What is the cause of this?

On the basis of our experience we may say that a primary role is played by the fact that the practice of programing in KISZ is hardly carried out on basis of the demands, efforts and interests of the membership and the basic organizations; most often the initiative comes from the top, and the top to bottom tasks dominate. Thus the upper level programs frequently remain as representative announcements and references.

This does not exclude the organizations from appropriately shaping their activities, independently and in accordance with the intentions and interests of the membership. But this is a one-sided conclusion. Because not only do the programs of the KISZ leadership come up at the institutions, but expectations in regard to KISZ are drafted at the host organizations as well. These requirements, which are made by the economic and political leadership, frequently conflict with the organization of independent activity by KISZ. The problem is not the content of the requirements but the fact that they come as external expectations in regard to the youth. Frequently they are unable to rank them by priority, and thus this situation can often serve as a reference point to why the approved programs are not carried out. One possible way of moving off this dilemma would be for KISZ to organize activities in such a way as to arrange in one unit the initiatives of the youth, the potential and actual membership, and the social expectations.

Closely related to the above problem is participation in the organization, membership acceptance, and continuing participation. No matter in what kind of medium or by what method we studied the problem, we arrived at the same results. On this basis it became evident that there is no KISZ requirement system which when presented to non-KISZ youth could be regarded as a unified and standard group for KISZ membership. This is also true of the requirements for retaining membership. For reasons of loyalty and accuracy it must be mentioned that from time to time efforts are made within the organizations to emphasize the setting of requirements and the necessity for doing so. In this respect the question we must ask is whether this means that KISZ must assume the character of a vanguard organization. In my opinion, in no way. It only means that every organization, whether it is a political federation or a hobby club has a social importance and validity to the extent that its membership can be differentiated from non-members, or differences among the members can be made according to the magnitude, fulfillment and quality of the tasks that have been undertaken and carried out.

The April 1974 resolution of the KISZ Central Committee sought to make visible and practical the need and possibility for carrying out such a formula for differentiation. But it did not succeed for many reasons. Among these I shall mention two: the host environment reacted impatiently to the first significant membership decline, which was the organizational and moral consequence of unfulfilled undertakings and inactivity. They thought that the large-scale departures or failures to appear reflected unfavorably on them. Although the assumption was not without basis, the deduction was not directed at the essence--namely, that more substantial work must be performed--but at appearances. But a role was also played in the lack of success suffered by the intention because the drafting of the requirements and undertakings was excessively of an administrative nature, and these were regarded more as expectations than as organizational requirements.

Therefore one of the main roots of the criticism made about KISZ activity and its political role could be ascribed to the general organizational and program planning practice of the organization. And also to the fact that the Youth League and its organizations hardly relied on specific undertakings and requirements for the youth. A momentum deriving from



recommendations and initiatives by the membership becomes a movement at a very low degree of effectiveness.

In speaking of interest representation and protection, it must be stated that this task was always present, although only latently in the task system declared by KISZ. This function was forced into the background by the idea that the young people should not join KISZ from the interest viewpoint, and if this is realized there will really be no need for interest protection and representation. Here the concept of interest was blurred with careerism and self-interest.

A radical turn occurred in the first half of the 1970's. The enactment of the Youth Law and publication of the executive statutory provision also contributed to making interest protection in the form of "entitlements" a more demonstrative part of KISZ activity. As I see it, however, the practice and concept of interest protection and representational function and results have actually not increased the organizational strength and influence of KISZ. Why? Because the interest representation is not built on the organization of interests existing in the membership. This is also reflected by the expression "entitlements" as signifying the basis of interest protection, and it covers up the interests that actually are to be found among the youth and prevents them from rising to the surface. At this point the question of interest discovery is linked to the already discussed problem area of organization and program establishment.

Interest representation can become truly successful and important to youth if the organizations organize functions that represent and protect interest elements emerging within the life experience of young people actively working in the host organization. If statutory provisions exclusively determine the extent and content of interest representation and protection, if it is "entitlements" that put the lid on functions, the practice will not strengthen the position and influence of the KISZ leaders among the youth because it is necessarily the expectations of the host organization's leadership and the corresponding practice that characterizes the activity.

Neither should we ignore the fact that interest representation and protection assume "lobbying" that promotes interests, and that KISZ is thus in a position to "force" the forums it is related to, or its leaders, to realize the undertaken interest. It appears, however, that KISZ, is not now in this kind of situation. All this results in the everyday judgment passed on the Youth League in such a way that the partners often regard the problems raised by KISZ as demands, while the young people are little aware of the effect of the efforts exerted in this area.

By analyzing the question through a practice approach, we find that the organizations successfully carrying out their economic tasks and the institutions fulfilling their basic functions create substantially better conditions for the interest representation and protection possibilities of KISZ than institutions that are struggling with production difficulties, poor organization, and problems evident in the fulfillment of basic functions. Although in the latter case there are substantially more problems affecting young people and grievances awaiting protection and representation

both in regard to material and moral questions and the work place atmosphere and social facilities.

Finally, we must speak of one of the primary tasks of KISZ--activity promoting the economy, including questions related to the sponsorships. It has become apparent that the efforts exerted in this area signify an important basis of KISZ recognition. On the basis of our research, however, we can arrive at the conclusion that the tasks relating to the basic activity of the host organization in a definite period of local sponsorships--during the reconstruction and investments--give an especially important role to KISZ in the life of the economic organization. The KISZ requests in this period flow unobstructed toward the decisionmaking forums and receive positive replies. But it is also true that every other element disappears for the most part, in fact decisively, from KISZ activities--organizational life, political education, free-time and entertainment forms. With the conclusion of the sponsorship, particularly if the enterprise has significant bank debts and export obligations, the harmonious cooperation comes to an end, and is replaced by commands and directives with reference to the fulfillment of production obligations. On the other hand, the activity and organizational forms which were drained off earlier are not replenished again because the means are lacking. The memory remains of the "good old times," and the hard drive toward the fulfillment of economic obligations.

On the basis of the foregoing can we come to the conclusion that the KISZ leadership should not organize and initiate tasks and movements for the organization as a whole, that it should abandon interest representation, and that the Youth League should withdraw from economic life? I do not believe at all that this would be a solution. But I do maintain that if the activities of the organizations are better built on membership demands, if these desires are brought face to face with socio-political expectations, then the requirements of the host organizations, the political norms of the Youth League, combined points of view and common denominators can be found, and a healthy activity structure may be developed representing the community and the political demands of the youth which will be in agreement with social relations and political requirements.

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POLITICS

POLAND

'CONSENSUS' GROUP REACHES OUT TO PRON, CHURCH

Warsaw POLITYKA in Polish 16 Nov 85 p 3

[Article by Stanislaw Podemski: "A Bridgehead"]

[Text] Experience teaches us not to get excited even over the most encouraging facts. But 3 November, in my view, is a truly remarkable date to remember.

On that day, a group of respected and influential people struck an agreement with the PRON National Council and, underlining their independence and autonomy, declared their readiness to undertake civic actions "in contact and agreement with PRON as the embodiment of a PZPR-led political coalition, and at the same time with the Polish Catholic Episcopate, with lay Catholics the Church trusts, and with other Churches" (quoted from a PAP communique published in ZYCIE WARSZAWY on 4 November).

The new group's Latin name, Consensus, of course, amounts to what colloquially is called agreement, concord, and these are words which every Pole in his right mind will listen to with attention and hope.

The PAP communique named some of the people of the Consensus group without, however, mentioning their particular positions, the kind of information which is important for assessing the representativeness of this group. It includes a party professor and former cabinet member, an adviser to the Episcopate, a ranking official of the cooperative movement and a member of the Primate's Charity Committee, a top Democratic Alliance official and a Catholic scholar known for his independence and active participation in public life. The list of names perhaps is not long, but larger and influential groups of intellectuals stand behind these people. So far, only its front line has come in from the cold.

Just what is Consensus to be, in light of its own rather restrained declaration? "What we are set to achieve is not a purely formal conciliation but one for reform, for which the events of recent years have paved the way. We also want a pragmatic and realistic mode of thinking on Poland's future to spread itself gradually--that is, we want conciliation through action.... Positive work, work at grassroots level, is what we regard as the best platform for rallying all Poles.... With our work at this level we want therefore to reach society, above all opinion-forming circles, intellectuals, regional activists."

Their prime concern pertains to society's sore points of public and moral frustration, as they concentrate attention "on the weakening of social ties, the decline of human cooperation and exchange of values, in order to find effective remedies against them."

Any observer of public life in Poland and of its reflection in the media, in official pronouncements, in personal contacts, even at the most intimate level, will want to know what the declaration says about the internal situation in Poland and all its consequences. "We recognize, both within our group and in society at large, a more or less permanent division of people into Christians, Marxists, and religiously indifferent Positivists. We accept the differences which exist among us and we mutually respect our beliefs. Our goal is not to eliminate such differences but to cooperate on the ground of shared values."

It is not struggle, then, but cooperation of people holding different views; not a bigoted belief in holding a monopoly of truth with a concomitant self-complacency, but respect for other people's views; not entrenchment or denunciation of others' honor and name, but an acknowledgement of the goodwill of others, whatever its source.

Readers will pardon me for these lengthy quotations from the declaration, but this document itself says more than all comments on it. To finish, then, let me quote it again, this time to illustrate the group's declared attitude toward the authorities: "We regard openness and frankness as the fundamental condition of activity. This implies systematic information for all who are interested in our actions, especially official, public, intellectual and moral authorities in Poland." This in a country which has been living with an absurd four-year-old underground and with numerous groups taking exception to the authorities or else being timidly silent. This is a sober, courageous and refreshing pledge.

Dr L. Brodowski, the unofficial secretary of Consensus, points out that this group has not emerged out of thin air and that it has some experience and a few accomplishments to its record. It has been in discreet yet continual contact with some people from official circles and from the Church and has initiated a number of actions (including the discussion on local self-government, the idea of inexpensive family housing, scholarly seminars on family problems or environmental protection, etc.).

One of the chief motives for Consensus to take a step closer to PRON was undoubtedly the outcome of the October general election, however cautiously one may interpret it. "With the new Sejm tenure we want to start systematic activities" says the declaration, which is more proof of the group's firm rooting in reality.

Running its own debating club and its own journal is a way of inspiring, informing, organizing, and rallying society around first-rate goals. Quite a few such goals were set during the election campaign, and the Consensus group is not only aware of this but wants to help but wants to help put them through, like "any others life may generate."

But how to step down from elevated words and declarations to the foundations of fact? In Poland, says Dr Brodowski, "there are 1,200 regional organizations, numerous scientific, cultural, and other societies, and they are the first addressees of our ideas and initiatives." The people's councils in their new legal status are a subject of special interest to the group, because the most important thing in cities, villages, or individual regions is "to rally the populace around concrete positive actions."

This kind of ambition is in line with the best tradition of work at grassroots level in Poland, but it is by no means easy to put life into it.

Last month the PRON National Council ended its work on its report on "The Status and Future of National Conciliation in the Mid-Eighties." It includes, among other things, the latest findings of opinion polls, which indicate that 85 percent of all respondents are engaged in no kind of community work and that only one in four people is willing to do anything of this kind in the future. This then is a rather small group of potential activists, but if it can be reached and won over this may prove to be the beginning of a new situation.

During a meeting with the Consensus group, [PZPR Politburo member and CC secretary] Jozef Czyrek said the worst setback Poland had suffered in recent years was the enervation of society. "So, reviving that lost energy is our great common duty," says Consensus.

According to the report, as many as three in four citizens realize that they bear their own shares of responsibility for what is going on in the state, and they regard the present time as a breakthrough moment in national history. This picture is completed by demands for further democratic and economic reforms, although views of the economy differ significantly, not to say diverge from one another.

The Consensus group is the tip of an iceberg, of a critical yet loyal center force, which, depending on the tip's success or failure, will either emerge or remain hidden under the surface of public life. The official favorable attitude toward this new social grouping--which has already been declared by the highest authority of the Polish state--shows that the group's significance is realized.

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POLITICS

POLAND

# LACK OF PROGRESS ON AGRICULTURAL FOUNDATION CRITICIZED

Warsaw PRZEGLAD KATOLICKI in Polish 15 Dec 85 p 1

[Article by Slawomir Siwek: "A Few Candid Things To Say on the Agricultural Foundation"]

[Text] Experts representing the Church and the government in talks on the proposed Agricultural Foundation were to hold a scheduled meeting on 17 October. It was believed that the measure of agreement reached by then was large enough to discuss the last technicalities and to submit the draft statutes for registration after the scheduled meeting. The meeting was never held. On its eve the joint commission's cochairman on the government side canceled the meeting without mentioning any technical obstacles or proposing a new date for a meeting. The organizing committee told the Primate of Poland this during an audience on 18 October expressing its doubts whether there was any point in continuing preparations for the proposed foundation.

Following that audience the communique which appeared in the Catholic press and in foreign media set off a wave of commentaries and speculations. Those concerned most, namely farmers, wondered if it meant the end of the committee's activity?

This initiative, which was launched late in 1981, was designed--in a difficult period for Poland--to help strengthen private farming as an important sector of the Polish economy. The injunction to "subdue the Earth" was to be backed by concrete actions of international solidarity. Attentive to the Polish people's needs and concerns, the Church could not ignore the opportunity, so it encouraged lay Catholics to take action for the common benefit. This idea will lose nothing of its importance as long as the Polish economy and Polish farmers still have the needs and suffer from the difficulties they do at present. Hoping for full understanding and a favorable atmosphere for grass-roots initiatives, the Church in Poland will also avail itself of all opportunities in the future to demonstrate that unofficial initiatives exist and ought to be taken advantage of for Poland's prosperity. The organizing committee, leaving it to the Primate to decide its future, goes on working in its original composition. Preparations for creating the foundation are also continuing, for it is just too important a matter for Polish society to submit to its getting strangled by red tape....

I used the words "understanding" and "atmosphere" above, and I think they require a few words of comment.

Ever since the talks started it has been clear that the initiative to create the Agricultural Foundation can succeed only if the four parties involved, that is, the foreign donators, the Church, the government, and the farmers themselves, all display enough good will.

Foreign donators have never set any political conditions, nor are they doing so now; they are determined to help Polish farmers through the services of an autonomous institution working for the benefit of private farmers, an institution which, although it acts under the Church's auspices, will operate solely according to economic rules. As for the Church, all along it has been clearly saying that the foundation must serve the common good and that, in its economic operations, it is to help create a platform of cooperation for society and the authorities. This particular policy line will be kept by the foundation after its registration, and all its actions will be in strict keeping with its statutes. Should the Episcopate notice any move to exploit this initiative for purposes at variance with this overriding rule, no matter from which quarter such designs may come, it would itself autonomously drop the whole idea. In this sense, the Church's goodwill leaves no room or chance for exploiting the foundation as a platform of oppositionist actions directed against the system, or for accepting any rule of cooperation other than equal partnership. Partnership implies that all moves are to be coordinated, not accepted as orders to be carried out without discussion. Such cooperation, incidentally, fits perfectly into the concept of the Polish economic reform, if the latter is to have a chance of success and if it is not abandoned.

The third party to the agreement is the public administration. Its goodwill must not stop at the registration of the statutes or their implementation. Goodwill in this case must also be displayed in a commitment to the rule of partnership even after the foundation has been registered. Should the required atmosphere for this be difficult to achieve, it would be better to wait than to allow the idea for the foundation to degenerate, especially since such a thing would damage the administration's own prestige more painfully than anyone else's.

The fourth and last party to the agreement, on whom the idea's success depends, are Polish farmers. Coping with many technical difficulties in their daily work, they want to see a more permanent arrangement than lip service alone, so that their toil for society's benefit and for their children, makes sense. They will be the beneficiaries of whatever assistance may be provided from abroad. They must overcome their distrust of the local administration, an attitude which undoubtedly exists; on the other hand, local administrators must overcome their own distrust towards grassroots initiatives coming from farmers.

This gives us a clear-cut intelligible picture of what can help push the initiative through. It leaves no doubts, provided information about and understanding for this idea are indeed fully supplied.

For instance, lack of information seems to account for insinuations such as the one which implies that the foundation will be busy "important Mercedes cars" instead of farming machines and that it has ulterior motives for demanding exemption from customs duties.... Such matters have already been explained away once and for all in June 1985--or so the Church side believed. The committee, for its part, decided to drop its original idea of picking three villages in Poland under its special care, within the framework of the initiative. The organizing committee wants to resolve--not fuel--conflict-generating situations, and the idea of some "lucky villages" might create precisely such a situation.

Briefly, whatever technicalities still required discussions can--in the committee's view--be cleared, provided there is goodwill and understanding for the idea.

To keep prolonging the talks on the proposed foundation is a disservice to society at large, and not only to the committee. These talks became deadlocked after 16 September, and this may--yet again--discourage the West from wanting to finance any future programs. Every extra month of procrastination without a definitive agreement on this matter can only make things worse. It is not the organizing committee's fault, as the above-mentioned communique said that the two million ECU ("European dollars") are now threatened, because the EEC budget in which they are envisaged holds for 1985. Even if this sum be carried over to the coming fiscal year, we will forfeit yet another donation (as we did last year). At least for a year now, goods worth millions of dollars could have been flowing to Poland. It is not the committee nor the Church which stand to lose, but Polish farmers. However, the real loss will amount to more than merely financial losses, for it will include damage to our trustworthiness and be yet another case of wasting some of society's energy. In my view, it was precisely the chance of overcoming attitudes of apathy and enervation which was the proposed foundation's greatest advantage--even greater than injections of the hard currency aid Poland so badly needs.

One last point; when talking to farmers you can see the considerable amount of hope, goodwill, and energy in people. The foundation is viewed as a chance for reconciliation on matters which are of fundamental importance for our existence as a nation, and through economic cooperation.

Such hopes must never be foiled....

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POLITICS

POLAND

BRIEFS

EPISCOPATE REFUTES MEDIA REPORTS--With reference to recent media reports implying that the Polish Union of Lay Catholics PZKS consults about its socio-economic actions with the Polish Episcopate, the Press Office of the Polish Episcopate has been authorized to state that these reports are inaccurate. Polish Episcopate Press Office. [Text] [Krakow TYGODNIK POWSZECHNY in Polish 8 Dec 85 p 2] /9365

GLEMP ON JARUZELSKI-MITTERRAND MEETING--AFP reports from Rome that the Polish Primate, Cardinal Jozef Glemp, who is in Rome, said that President Francois Mitterrand's meeting with Council of State Chairman Wojciech Jaruzelski was a logical consequence of France's political line. Glemp pointed out that, a short time before, the French President had played host to Mikhail Gorbachev, adding "Generally, I am always in favor of dialogue. A meeting of two people, even if they stand for different political or ideological beliefs, is always a positive event." [Text] [Warsaw ZYCIE WARSZAWY in Polish 7-8 Dec 85 p 4] /9365

AGRICULTURAL FOUNDATION NEGOTIATIONS--The organizing committee of the Agricultural Foundation convened for a meeting on 30 November. It discussed a letter from the Ministry of Agriculture, Forestry, and Food bearing the date 25 November, which was received on 28 November, suggesting that talks be resumed in November this year. The previous meeting, scheduled for 17 October, had been canceled by the government side without proposing a new date. The committee concluded that the negotiating team should convene for its next talks in the first days of December this year, after drawing up a detailed agenda for debate. It sent a letter to the Agriculture, Forestry, and Food Ministry concerning this matter. [dated] 30 November 1985. [signed] Slawomir Siwek, Spokesman for the Agricultural Foundation's Organizing Committee. [Text] [Warsaw PRZEGLAD KATOLICKI in Polish 15 Dec 85 p 4] /9365

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POLITICS

ROMANIA

# ROMANIANS ATTACK 'REVISIONIST IDEAS' IN HUNGARIAN PUBLICATION

Bucharest CONTEMPORANUL in Romanian 6 Dec 85 pp 8-9

[Article by Constantin Botoran, Ion Calafeteanu: "Revisionist Ideas Aired in Publication of the Hungarian Academy of Science"]

[Text] As we distance ourselves in time from World War II, historical research into the greatest conflagration ever known by mankind becomes more adept at shedding insignificant details and subjective elements, unraveling the real and multiple causes of the war, identifying the mistakes made by statesmen, parties, social classes, and states which led to the outbreak of the war, allocate responsibility, and highlight the enormous sacrifices made by peoples to secure the victory and peace. This involves a laborious work that carries with it immense responsibility and demands an ongoing dialogue among historians and exchanges of views and information, a work that presupposes participation in good faith by one and all in the collective efforts made to establish the truth. Unfortunately, often enough the opinions expressed reflect viewpoints that contradict historical truth, attempts to falsify the past, and judgments aimed at totally or partially absolving the regimes or politicians of certain countries of their responsibility for eroding the peace, and preparing and unleashing World War II. Naturally, as historians, it is our scientific and moral obligation to take a stand against such distortions and to warn against the enormous threat posed by attempts to acquit to the peoples and history those guilty of preparing and starting the war; it is our duty to point out the reactionary, antihuman, and warmongering nature of fascism, revanchism, and revisionism, and to call attention to the great danger created for world peace and for mankind's fate itself by any such attempts. And when the attempts directly concern the history of the Romanian people, our duty to intervene acquires a dual justification: scientific and civic. We must mention with satisfaction that many foreign historians have objectively studied our history, have sought to understand its guiding lines, and have endeavored to better understand us as individuals and as a nation. Others, however, because we must admit that there are such, too, in dealing with the historical past of the Romanians proceed to falsify realities, to contest their right to a land in which they have been living for thousands of years, and to "justify" alleged "historical rights" belonging to others, in a bid to denigrate the Romanians and absolve of responsibility regimes and politicians guilty of monstrous crimes against our people. Some of these "historians" devote entire books to this purpose, others only articles, while

others still content themselves with short references or notes in articles dealing with different topics. To this last category belongs Peter Gosztony, whose collection of essays "Hungarian History--World History," features an article on "The Hungarian Army in World War II."

### Who is Trying to Teach History?

From the very beginning we want to provide our readers with the following background information: Peter Gosztony left his country in 1956, during the counterrevolution, and settled in Switzerland. The above mentioned essay was published in a work edited by the historian Gy. Ranki and brought out under the aegis of the Academy of Science of the People's Republic of Hungary in AKADEMIAI KIADO of Budapest.

This fact gave rise to our initial puzzlement. How can a publication of the Academy of Science of a socialist country publish ideas that seek to rehabilitate the old fascist regime under the subterfuge of casting the entire responsibility for its crimes and outrages on merely a few of its institutions instead of the regime as such? How is it possible for such a prestigious scientific forum as the Academy of Science of the People's Republic of Hungary to put its authoritative seal of approval on publications that disseminate, even in a veiled manner, revisionist ideas extolling the Hungary of King Stephen the Saint of a thousand years ago, or that of the dualist period? And how can publications of a neighborly and friendly socialist country feature ideas that insult our people and falsify our history?

And when such things occur more than once, they begin to form a pattern and to illustrate a broader trend, thus acquiring a far deeper and more serious significance.

In his analysis of the Hungarian army in the years of World War II, P. Gosztony presents certain aspects concerning the revisionist and revanchist nature of the officer corps of the Hungarian army; the manner in which the Horthyst army was rebuilt and equipped with the aid of fascist Italy and particularly of Nazi Germany, and the close ties and ideological affinities between the Nazi and Horthyst armies. However, when dealing with the history of the Romanian people, the author loses his objectivity, inserts insinuations everywhere, and often replaces truth by falsehoods. From the very beginning of the article one notes the author's nostalgia for the so-called "Great Hungary" or the "Hungary of Saint Stephen" when speaking of "Karolyi Mihaly's endeavors to preserve the integrity of the country's ethnical boundaries," of the military actions of the Hungarian red army to "defend the national interests," or of the so-called "dictate of Trianon." However, as is known, according to the Hungarian census of 1910, out of the 4,642,253 inhabitants of Transylvania, 2,503,958 (54 percent) were Romanians, 1,092,719 (23.6 percent) Hungarians, 450,000 (9.7 percent) Szeklers, 276,335 (5.9 percent) Saxons, 187,987 (4 percent) Jews, 73,416 (1.6 percent) Slavs, and 55,838 (1.2 percent) of other nationalities. But, as is also known, the Hungarian authorities falsified the statistics of 1910. In reality, the number of Romanians living under the domination of the Hungarian oligarchy was over 2,900,000 (62.5 percent), while the number of Hungarians (not counting the Szeklers) was only 700,000.

Having entered a decisive stage at the beginning of the 20th century, the national liberation struggle of the Romanians in the Austro-Hungarian monarchy and of the other oppressed nationalities came to a head in 1918, when sovereign, independent, and united states were formed upon the ruins of the Austro-Hungarian empire. As V.I. Lenin stated in 1916, "Only the small Balkan states can be viewed as national states, but one must not forget that here, too, the population of other nationalities makes up between 5 and 10 percent, and that a large number of Romanians and Serbians (in relation to the total number of Romanians and Serbians) live outside the boundaries of their state," and that generally speaking, the bourgeois-national "state formation" did not end in the Balkans even in the, so to say, "yesterday's wars of 1911-12." (V.I. Lenin, Complete Works, Vol. 30, Political Publishing House, p 355) By the end of 1918 the victory of the principle of nationalities and of their right to self-determination had become an irreversible reality.

The peace treaty of Trianon, signed during the Paris Conference on 4 June 1930, did nothing but sanction the de facto existence of the national states established upon the ruins of the Austro-Hungarian empire. "The will of the peoples was expressed in October and November of 1918, when the double monarchy collapsed and people long oppressed united with their Italian, Romanian, Yugoslav, and Czechoslovak brothers," states a letter by the conference president, Alexandre Millerand, addressed on 8 May 1920 to the Hungarian delegation. "A situation that has lasted for even thousands of years," he continued, "has no justification to continue once it is demonstrated that it runs counter to justice." Consequently, the Paris Conference did not decide the establishment of new national states or the expansion of others through the imposed will of the big imperialist powers, as P. Gosztony asserts, but endorsed their existence as such. The Trianon Treaty merely delimited the borders between them in accordance with criteria expressed before the opening of the conference, with the ethnic-geographical specifications contained in self-determination documents, and with the decision of the various nations to unite.

The coinhabiting nationalities gave their support to the resolution of Alba Iulia; aware of the right of the Romanians to decide on Transylvania, they endorsed the unification decision and expressed their desire to live alongside the Romanian people, to work and struggle with them to secure Romania's manysided progress. However, the author says not one word about this objective process with profound progressive consequences, because it contradicts the thesis of the "Trianon dictate" which he mentions in the article.

#### The Overt and Hidden Purposes of the New "Crusader"

With the express purpose of bringing into discussion the causes of the disagreement between the Romanian and Hungarian governments in the period between the two world wars, Peter Gosztony characteristically puts Romania's policy and Hungary's policy on the same plane. He writes that "It was not only the Hungarians who were prepared to give everything for Transylvania; the Romanians, too, would have sacrificed anything to defend this region," and that "the idea of a confrontation (with Romania for Transylvania--our note) was rather popular in Hungary." His statements would not have been too far from the truth if Gosztony had noted the crucial fact that Horthyst Hungary,

dominated by the idea of revisionism and revanchism, took up preparations to attack Romania and to conquer territories that did not belong to it.

Going back to World War I we must mention that despite the historical realities of 1918-19, the Hungarian ruling classes, wishing to maintain their political and economic privileges and to continue their policy of oppressing other peoples, used every possible diplomatic and propaganda means, as well as to armed force, in order to rescue from destruction the Austro-Hungarian monarchy--this element of disorder in Europe, which, by its very nature, constituted a barrier to progress in that part of the world, as the daily NEW YORK TIMES of 10 February 1918 defined it. In his turn, S. Fenyes wrote: "The Hungarian oligarchy did not want to escape its Hapsburgic fate because it did not seek freedom, but only to further subjugate if not the other nations, at least the Hungarian people." ("Revisionist Hungary," Mures Publishing House, Bucharest, 1938, p 115)

The Hungarian socialist movement, too, failed to understand the historical necessity of the process of formation of united national states on the ruins of the Hapsburg monarchy. When Hungary of the Assemblies, the first Hungarian socialist state--which the revolutionary and progressive forces of Romania and of other countries warmly hailed--refused to recognize the right of the Romanian and other peoples to national-statal unity, and used armed force to reannex Transylvania to Hungary, the socialist journal THE TRUTH, in its 17/30 March 1919 issue seriously warned the Hungarian socialists and communists: "We did not want this war and our hearts ache for the lives that will be uselessly lost in this war forced upon us. We will do nothing but defend our freedom to decide our own fate, a freedom that the Hungarian politicians and blinded people do not want to recognize. We do not interfere in their domestic affairs," the journal continued; "let them lead their life as they want, but they should allow us the same right. Let them not play with socialism and compromise the communist idea for their national purposes; let them have the courage to step out before the world and say: We want a great Hungary, but let them not hide behind the idea of socialism and use it to mask their intentions..."

Another problem emerging from Peter Gosztony's article concerns his attempts to rehabilitate Horthy and the Horthyst regime by attributing the atrocities and the terrorist acts carried out by Horthyst Hungary in the territories forcibly occupied in the 1938-41 period solely to extreme right organizations. Peter Gosztony remains silent on the fact that after the withdrawal of the Romanian troops from Hungary, the reactionary Horthyst forces unleashed a fierce and unparalleled terror against their own fellow citizens, too. The massacres of Orgovani, Iszak, Kecskemet, Szolnok, and Gyoma, to which more than 5,000 workers, peasants, and intellectuals fell victim; the hundreds of Hungarian citizens who were tortured to death in the prison of the Horthyst Supreme Command of Siofok; the over 70,000 people put in concentration camps; the plunder of the Jews and other antisemitic acts--these are only a few of the deeds of the men under Admiral Horthy's command. More than 100,000 people were forced to seek refuge in Soviet Russia, Austria, Romania, Czechoslovakia, and Yugoslavia in order to escape the Horthyst white terror.

The Horthyst regime, which came to power in March 1920, from the very beginning represented the interests of the big capitalists and land owners, the most reactionary elements of the ruling classes who, through terrorist measures, sought to reinforce their economic and political positions in the state. Nemes Dezso, a well known Hungarian historian, estimates that "the fascist Hungarian regime, consolidated by the Bethlen government at that date, considerably outdid Mussolini in the area of open and institutionalized terror against the revolutionary forces," while Prime Minister Teleki Pal, who supported Horthy's terrorist dictatorship, took pride in the fact that the Hungarian reaction had been the forerunner of the fascist ideas and practices of Germany and Italy: "After the world war," he wrote to Mussolini, "the policy that inspired the struggle against the Marxist Jewish terror of 1919 rallied and enlisted around Supreme Commander Horthy Miklos the leaders Gombos Gyula and Teleki Pal. Their ranks and struggle," Teleki stressed, "gave birth to the seeds of the national and social ideas that inspired the rebirth of the new Germany and Italy."

The white terror of 1919-20 was primarily directed against the Jewish population. Antisemitism, chauvinism, and revisionism were raised by the Horthyst regime to the rank of state policy. Hungary's National Assembly, convened in October 1920, voted 57 in favor and 7 against a law under which the Hungarian Jews were deprived of any civil rights and treated as aliens. This extraordinary law, worthy of the Middle Ages, deeply harmed the Jewish population of Hungary and encouraged acts of terrorism and plunder by the reactionary elements of the army and by extreme right organizations. The antisemitic slogan of "a Jew-less country" was given pride of place in the program of the Crosses and Arrows Party (the "nyilasists"), a party actively supported by fascist circles of army officers, police, and gendarmerie, and by depraved prohitlerite and antisemitic elements who preached and practiced crime, robbery, corruption, and terror. The antisemitic policy pursued by the Horthyst regime throughout the period between the wars reached its climax during World War II, when the Horthysts organized unprecedented pogroms, massacres, destruction, expulsions, and deportations, by which it sought to eliminate the Romanians, Jews, Slavs, and all those who belonged to the antifascist and antyhorthyst resistance both in Hungary and in the occupied territories. After the occupation of Hungary by the Hitlerite troops in March 1944, racial and national-chauvinistic measures followed in rapid succession. By the end of April the Jews had been interned in ghettos, and in the summer of 1944 the Hungarian fascists, together with the Hitlerites, began to deport the Jewish and other oppressed populations to the Nazi extermination camps. According to existing data, alone in the north-west part of Romania, occupied in August 1940, 148,288 Jews were deported, over 100,000 of whom were exterminated.

We cannot but agree with Peter Gosztony's demonstration that, in order to realize its revisionist plans, Horthyst Hungary began to considerably bolster its armed forces, especially in the 1930's, and to inculcate them with revisionism and anticommunism; that the leadership of the army was made up of the most reactionary elements of the Hungarian bourgeoisie and land owners, who greatly contributed to the aggressive and revanchist character of Hungarian policies. However, his demonstration is left unsupported when he tries to separate the army from the Horthyst machinery and to make it the

main, if not the only responsible for the reactionary and revisionist policy promoted by Hungary throughout the period following the Trianon Treaty. The Hungarian army was the offshoot of the Horthyst regime and its main tool for the implementation of its revisionist plans. The Hungarian ruling classes, reactionary and despotic in their internal policy, and aggressive and revanchist in the foreign policy, had created an army after their own image, ready at any moment to serve their interests. It is true that the High Command of the Hungarian army and the Hungarian General Staff, made up of officers with reactionary and anticommunist views, engineered the warmongering plans aimed against the territorial integrity of certain neighboring countries, Romania among them, and established the targets of aggression and the forces designated to carry it out, but in so doing they translated into military terms the political line worked out by Horthyst politicians and sanctioned by the head of the state, Horthy Miklos, who was at the same time the supreme commander of the Hungarian armed forces. Shortly after the end of the war, the newspaper SZABAD NEP, in the article "The Hungarian Peace and the Communist Party," correctly stated that the truly guilty for the situation in which Hungary found itself were "primarily the past system, the war time governments, Horthy Mikos and his clique."

The Familiar Arsenal of Disinformation: Insinuations, Distorted Quotations, and Ambiguities

Another problem which P. Gosztony allows to remain unclarified concerns the attitude of the Romanian government toward the issue of Yugoslav Banat in the spring of 1941.

"After the occupation and division of Yugoslavia," the article states, "Hungary regained the Bacska district and the Murokoz area. The Banat was "provisionally" occupied by the Germans, who were inclined to return it to Budapest. Nevertheless, Antonescu energetically intervened in Berlin and assured the Germans that the Banat should by rights come to Romania, because it had been promised to Romania during World War I. If the Hungarian troops had entered the territory, Bucharest would have viewed this as a casus belli with Budapest." By stopping the presentation of the facts at this point, the author allows some doubts to hover over Romania's position on this problem. However, as is very well known--and as P. Gosztony knows--Romania was the only country among Yugoslavia's neighbors not to profit from the tragedy of the Yugoslav peoples and not to occupy even one inch of Yugoslav soil. This instance illustrates one of the general traits of the Romanian people, who, throughout their history, never attempted to occupy foreign territories, but always defended their land and independence. Such an action would have found no support among the Romanian people, who harbored sentiments of friendship for the Yugoslav people and who, as a close friend, understood the tragedy that had befallen them, and at the time found many ways through which to express their solidarity with the Yugoslav peoples. At the same time, the Romanian people could not conceive of a future that did not provide for the annulment of the heinous fascist dictate of 1940 and for regaining the territory wrested from the motherland.

In point of fact, P. Gosztony states that the Romanian army believed in the idea that "Transylvania must be regained." We agree with this assertion, but

we must complete it: the idea was upheld by all the Romanian people, who were determined to restore Transylvania to the boundaries of the Romanian state, even if for that they had to wage another liberation war against Horthyst Hungary. Consequently, any territorial addition to the latter and any increase in Horthyst power were watched by the Romanian people with anxiety, in view of their struggle.

#### Curious Lapses of Memory Concerning the Vienna Dictate

About the unjust Vienna pronouncement of 30 August 1940 P Gosztony says--and we agree--that "in reality it complicated the Romanian-Hungarian relations and facilitated Germany's policy of division and domination." In view of that, we are surprised to hear the author speak of "the solution to the Transylvanian problem." What kind of "solution" was that which--as the author himself shows--left both sides discontent? And how could the Romanian people agree to having a territory inhabited by Romanians for the great majority torn away from the body of their country? Even the census carried out by the Horthysts in 1941 in the area annexed under the second Vienna dictate, after approximately 500,000 Romanians had been forced out or simply expelled by the Horthyst authorities, clearly showed that the majority of the population was Romanian. For that reason, the Horthyst government did not even publish the results of the census, while Peter Gosztony chooses not to mention them.

We are also surprised that the author uses the term "arbitrage" to describe what occurred in Vienna on 30 August 1940. According to the doctrine of international law, arbitrage implies a series of obligatory conditions, without which it is legally invalid.

Today we all know the conditions in which the heinous fascist dictate of Vienna came to be. It had nothing, absolutely nothing to do with the arbitrage of international law. The Romanian government was made to choose between accepting the "solution" provided by Germany and Italy, or "Romania's destruction." The representatives of the Romanian government were forced to sign the fascist dictate under which Horthyst Hungary annexed a territory measuring 42,243 square km. and with a population of 2,600,000 inhabitants, most of them Romanians. Violating the independence and sovereignty of the Romanian state, the German and Italian foreign ministers forced the Romanian representatives to allow the north-west area of Romania to be torn away and given to Hungary, threatening that should they not do so, Romania would be subjected to military action, invaded, and erased from the map of Europe. Faced with the threat of force, the Romanian government ceded. But that was no arbitrage, but a dictate, and that is how the Vienna act was acknowledged in mankind's conscience. That being the truth, how can P. Gosztony speak of "dictate" when referring to the Trianon Treaty, and of "arbitrage" when describing the second Vienna dictate? Who can gain by this gross distortion? And first of all, what is the purpose?

Referring to the events of 1944-45 and to the reactionary nature of the Horthyst army, particularly of the officer corps, P. Gosztony issues forth the following original hypothesis: "It is not difficult to believe that the Horthyst officers may perhaps have acted differently in 1944 if they had had to face the Anglo-American armies instead of the Red Army." And later, after



citing as an example the manner in which Finland got out of the war, he makes the following statement about the Romanian army: "At the order of its king, the Romanian army--a subject of great ridicule among the Hungarian officers--effected a political and military turnabout, even though the Romanians, too, had reason to fear Moscow."

Let us remind P. Gosztony that the Hungarian army, with a corps of officers recruited from among the most reactionary forces of Hungarian feudalism, and fed by the Nazi ideology--as he himself states--did nothing but followed the orders of the Horthyst political regime and of Supreme Commander Horthy Miklos, fighting to the last moment at the side of Nazi Germany--even beyond Hungary's borders, on Czechoslovak territory--remained Hitler's last ally, and capitulated together with him.

We are not surprised at the different behavior of the two armies, the Romanian and Hungarian. Because while the Horthyst army was as P. Gosztony describes it, the Romanian army, on the other hand, had always been close to the interests of the Romanian people, and the revolutionary and democratic organizations and the RCP--which mobilized the national consensus and secured the success of the revolution for national and social liberation--maintained strong ties with the army, and thus influenced and guided its actions. That is why, in August 1944, the entire Romanian army as one man, without any defection, from soldier to general, responded to the decision of the political arm, left the Hitlerite front, and threw all its forces in the fight against Nazi Germany and Horthyst Hungary, until the final victory. It returned home with its flag covered in glory, as a victorious army which had done its duty toward its own people and the cause of all progressive humanity, and was welcomed by the Romanian people under the Triumphal Arch, the symbol of heroism and of the great cause for which it fought.

A last remark: the Romanian army, which the Hungarian army ridiculed, as P. Gosztony took great care to stress, without any good reason, shed much blood and fought gloriously to free the Hungarian people, too. It deserves--and has--the entire gratitude of the Romanian people, and it deserves the gratitude of all those for whose liberation it shed its blood.

Reading this material, any person of good faith will ask himself since when has P. Gosztony become such a patriot, a man who betrayed the Hungarian people's army, in which he had been an officer, and abandoned his country? How can journals and collections of studies sponsored by the highest scientific institutions carry such diversionist, chauvinist, and revisionist material?

We believe that such "studies," devoid of objectivity and falsifying historical truth, do not serve the good relations between the two neighboring countries, or the interests of the Romanian and Hungarian peoples in a cooperation and collaboration conducted in a spirit of friendship and good understanding.

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POLITICS

ROMANIA

#### RCP EXECUTIVE POLITICAL COMMITTEE MEETS

AU142046 Bucharest AGERPRES in English 1940 GMT 14 Dec 85

[Text] Bucharest, AGERPRES, 1/12/1985--Gathered on December 15 under the chairmanship of the RCP general secretary, Nicolae Ceausescu, the Executive Political Committee debated and approved the proposals on the improvement of the economic and financial mechanism. The new proposals envisage the further improvement of all-country economic planning. They will be materialized in decrees and regulations with the power of law.

The Executive Political Committee decided to set up a Central Commission on the Organization and Modernization of Production Processes, and that a passage will be made to the organization and creation of suchlike commissions at the level of the capital city, and then of all counties. [sentence as received]

Examining questions relating to the ensurance of an appropriate demographic growth of the population, the Executive Political Committee showed that, although, as compared to the previous year, a certain growth had been registered over the first 9 months of the year, nevertheless, it could not be considered as satisfactory. Measures were proposed apt to strengthen the responsibility of sanitary bodies and all factors that carry responsibilities in the field, a series of improvements were proposed to the existing juridical regulations, so as a rise be ensured in the birth rate index, as well as in the natural growth of the population. It was also decided--in the framework of the general increase in the population's real incomes--that the state child benefit should increase, as well as the monthly financial assistance and allowances to the mothers of several children.

During the same meeting, the Executive Political Committee discussed the proposals for the further improvement of the regulations concerning the construction of privately-owned dwellings and the granting of credits to that end. The new proposals suggest that credits should be granted for the construction of privately-owned dwellings--according to the law--to workers, experts, and the other working personnel who carry on their activity in towns and municipalities and wish to have their dwellings built in communes round the respective localities. Housing construction credits will be also granted to the personnel working in small towns or communes. Credits will no longer be granted for housing construction in towns which according to the law, were declared big towns.

The Executive Political Committee decided upon the creation of the office of secretary and of sections for agricultural affairs within the party Central Committee and the county party committees whose task will be that of strengthening party control and ensuring the firm application of party resolutions and the country's law in the activity carried on in agriculture.

During the December 14 meeting of the Executive Political Committee of the CC of the RCP, Nicolae Ceausescu read a report on the working visit of Gustav Husak, secretary-general of the CC of the Communist Party of Czechoslovakia, president of the Czechoslovak Socialist Republic, paid to Romania over December 11-12.

The Executive Political Committee approved and was highly appreciative of the results of the new Romanian-Czechoslovak summit dialogue which highlighted the lastingness and depth of the ties between the two parties, countries, and peoples. The talks between Nicolae Ceausescu and Gustav Husak, which passed in an atmosphere of warm friendship, of mutual understanding and esteem, reiterated the joint determination to further work for the strengthening of the collaboration between the Romanian Communist Party and the Communist Party of Czechoslovakia, a decisive factor for the consolidation of friendship and the expansion of collaboration between the two countries and peoples.

Highlighting the productive character of the talks conducted and understandings reached during the visit, the Executive Political Committee underscored the importance of the signing by the two party and state leaders of the long-term programme for the development of economic, technical, and scientific collaboration between Romania and Czechoslovakia until the year 2000, a document of outstanding importance which opens broad prospects to the friendly cooperation between the two countries and peoples in a number of important economic branches.

At the same time, the Executive Political Committee stressed the importance of the exchange of opinions between Nicolae Ceausescu and Gustav Husak on current questions of the international life and of the communist and working-class movement.

The Executive Political Committee highlighted the significance of the two countries' determination to strengthen ever more their collaboration in the international arena, to cooperate closely with the other socialist countries, with the peace-loving forces everywhere in the fight for disarmament, nuclear disarmament in the first place, for detente, security, and peace, for the constructive settlement of litigious issues through negotiations, for a better and more just world on our planet.

The will of the Romanian Communist Party and of the Communist Party of Czechoslovakia was also emphasized to work for the strengthening of the unity and collaboration of the socialist countries, of the communist and worker parties of all the progressive, democratic, and anti-imperialist forces in the fight for the attainment of the peoples' aspirations after peace and social progress.

During a December 14 meeting of the Executive Political Committee of the CC of the RCP, Nicolae Ceausescu read a report on the official visit of friendship he paid, with Mme Elena Ceausescu, to the SFR of Yugoslavia over December 12 and 13, invited by the president of the Presidium of the Socialist Federal Republic of Yugoslavia, Radovan Vlackovic, and the president of the Presidium of the Central Committee of the League of Communists of Yugoslavia, Vidoje Zarkovic.

The Executive Political Committee showed that, through its results, the visit went down as a highly significant moment in the rich chronicle of the fine ties of close friendship, solidarity, and collaboration between the two parties, countries, and peoples. Emphasis was placed on the productive character of the talks conducted by Nicolae Ceausescu and Radovan Vlackovic and Vidoje Zarkovic, when the joint wish had been expressed to develop ever more powerfully the traditional Romanian-Yugoslav relations on a political, economic, technical-scientific, cultural plane and in other fields of mutual interest. In this context, stress was laid on the significance of the understandings convened on the expansion and improvement of collaboration forms, the stepping up of cooperation in production, the growth of commercial exchanges, in keeping with the two countries' economic potential, with the requirements for the economic and social development of Romania and Yugoslavia.

The Executive Political Committee also highlighted the significance of the exchange of opinions between Nicolae Ceausescu and Radovan Vlackovic and Vidoje Zarkovic in connection with aspects of the current international political life, the communist and working class movement, which had brought to the fore the identity or closeness of their stances on the questions approached. Special reference was made to the fact that, during the summit talks, the two parties' and countries' will had been reiterated to actively cooperate in the world arena, to make their full contribution to the promotion of detente, the achievement of disarmament, nuclear first and foremost, the establishment of a climate of peace, security, understanding, and cooperation in the Balkans, in Europe, and in the world, the attainment of all nations' ideals of freedom, independence, and progress.

The new meeting was shown to have one more time confirmed the decisive role of the traditional Romanian-Yugoslav summit dialogue for a continual strengthening of friendship, solidarity and collaboration between the Romanian Communist Party and the League of Communists of Yugoslavia, between the Socialist Republic of Romania and the Socialist Federal Republic of Yugoslavia.

Approving the results of the two visits, the Executive Political Committee requested that the government, ministries, the other central bodies take all measures that are required for the optimal implementation of the understandings convened, the fulfillment of the collaboration projects envisaged, for an ever more powerful development of Romania's cooperation with those countries, for their mutual benefit, in the interest of the general cause of socialism and peace.

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POLITICS

ROMANIA

ROMANIAN WEEKLY REJECTS HUNGARIAN 'DISTORTION'

AU272029 Bucharest AGERPRES in English 1814 GMT 27 Dec 85

["The Weekly 'CONTEMPORANUL' on the Distortion of Historical Truth in an 'Atlas of History' Brought Out in Budapest"--AGERPERS headline]

[Text] Bucharest, 27/12/1985, AGERPRES--Under the headline "The Dangerous Game on Distorting History," the political, social and cultural weekly "CONTEMPORANUL" of December 27 prints notes signed by Romanian historians Vasile Cristian, Augustin Deac, and Nicolae Edroiu who show the aforesaid work to give a distorted image of the Romanian's history. They point out that when approaching the past and the Carpatho-Danubian Pontic space from times immemorial to date the authors of the Hungarian atlas ignore historical processes and events of deciding significance in the respective epochs and resort to distortions of the most elementary truths that are well known, and have been attested and validated in scientific circles.

The Hungarian atlas, "CONTEMPORANUL" shows, virtually mentions the Romanians only in the 9th century, under the name of "Vlahi," when they lived far south of the Danube, although it has been proved that the Carpatho-Danubian-Pontic space was the Romanian people's ancient hearth, that the Romanians had uninterruptedly lived in this space throughout the first millenium of our era. Such distortions aimed at accrediting the false idea that when the Hungarian tribes arrived from Panonia (in the 9th century) neither Dacia nor its millenium-old history were known, that the respective space was a void waiting to be filled with migratory Hungarian tribes.

The Romanian authors extensively argument the inconsistency of such statements through references to a large number of historical sources of the respective age, to the conclusions of archaeological research, which unearthed more than 1,500 daco-Roman settlements in Romania's territory, to acknowledgements of the autochthony and continuity of the Romanians in their ancient hearth which can be found in prestigious works put out in the modern and contemporary epochs in various European countries, in Hungary included.

"CONTEMPORANUL" lists a number of omissions, distortions, and false statements in connection with the major moments in the Romania's history, with the circumstances in which the Hungarian tribes penetrated Transylvania, a Romanian territory which, starting with 1541, had enjoyed an autonomous-principality

status. Furthermore, the truth is restored in connection with the fascist Vienna Diktat of 1940.

Referring to the way in which the "atlas" presents the history of Hungary after the defeat at Mohacs, when it no longer appeared as a state on Europe's map, and calling attention to the fact that the frontiers of feudal Hungary continue to be traced over Romanian territories, the Romanian historians show: Naturally, it is up to Hungarian historians to present the national history the way they wish. We are not and cannot be indifferent, however, to the way in which the Romanian people's history is presented, or rather distorted through omissions, and falsehood. We cannot help wondering: For what purpose, to want end are the great moments in the Romanian's history perseveringly omitted?

The authors of the article run by the Bucharest weekly point out that what actually happens is a further popularization of a false idea promoted by the exploiting classes in the past of reactionary and fascist Hungary. The inadmissible omissions, the obvious distortions are not accidental, "CONTEMPORANUL" writes. They pursue goals which have nothing in common with the historical truth, with the ethnics of scientific research. In more direct words, they pursue to accredit false ideas which, much to our regret, could be encountered in other historical works brought out in the Hungarian People's Republic of late. Denial of the existence of a people in a work that claims scientific standing can cause only stupefaction and indignation. The seriousness of the distortions and false assessments in the "atlas," which claims adidactic character, is further amplified by the fact that it refers to history and, put out in a large number of copies, is intended for secondary-school pupils, for the young generation. Through its structure, the "atlas" contributes nothing to the correct education of the youth in the spirit of socialist patriotism, of brotherly collaboration with neighboring peoples, with all countries, "CONTEMPORANUL" writes adding in conclusion: The authors of the "atlas" did not rely on such same principles, ignored contemporary requirements and took obsolete nationalist, chauvinist, and revisionist conceptions as a guide.

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POLITICS

ROMANIA

# OCCUPATION OF TRANSYLVANIA BY HORTHY RECALLED

AU291856 Bucharest AGERPRES in English 0840 GMT 29 Dec 85

["The Past Must Be Disclosed"--AGERPERS headline]

[Text] Bucharest, 28/12/1985, AGERPRES--In his recollections in the "ROMANIA LITERARA" weekly, the title of which is a quotation for the Hungarian poet Jozef Attila, writer Francisc Pacurariu deals with the causes that led to the "outburst of the absurd," i.e., to the offensive of the fascist and revisionist powers in the late thirties that ended in 1938-1940 in the occupation and dismemberment of some states, serious territorial mutilations of others and the outbreak of the Second World War.

Dwelling on the international context in which the fascist Vienna dictate was imposed on Romania, F. Pacurariu shows that "the dictate apparently sealed the victory of Horthyist Hungary's revanchist and revisionist tendencies. As far as we on Romanian soil are concerned, the Vienna dictate is the cynical negation of the Romanian people's right to national unity. To deny this right to a people that, throughout its history, had proved a strong community of language, culture, thought, and feeling (...) is to ignore the inexorable dialectics that governs the course of history."

Reminding that, in September 1943 a force of occupation was established in north Transylvania "that did not have to develop its methods and mechanisms" there and then as the Horthyist dictatorship had been known for its appalling terror since it was established in Hungary in 1919, the Romanian writer shows: "The idea of violence, of reprisal, of terror was deep-seated in that rule would have experienced a sense of unfulfillment had it not organised at least a few bloodbaths. So massacres were perpetrated at [word indistinct] and Trasnea, at Huedin and so many other towns and villages where blood was shed, innocent people were arrested, interned and expelled."

F. Pacurariu recalls the assessments that the Hungarian historian Korom Mihaly made in his work "A fasizmus Bukasa Magyarorszagon" (the Fall on Fascism in Hungary) where the Horthyist regime is made a detailed analysis. He says that, if in the general picture that the Hungarian historian has drawn, the inaccuracy of the figure he gives for the number of refugees from north Transylvania that was temporarily under Horthyist occupation could be overlooked, it is, however, regrettable that the author had no knowledge of

the Horthyists' massacres in the autumns of 1940 and 1941. The Romanian writer fills in the gaps in K. Mihaly's picture, and he shows that he does it out of belief that "friendship between peoples cannot be built on the concealment of past mistakes, it can only be built on their being brought to light and denounced."

The only organised political force in north Transylvania at that time that militated for solidarity among the progressive forces, and the working masses and peasants, whatever their nationality, in the fight against the Horthy regime, for support to the oppressed and threatened Romanians was the Romanian Communist Party. In that way, writes F. Pacurariu, an age-old Transylvanian tradition of popular solidarity began to re-assert itself in changed historical conditions, the development--under the Horthyist oppressive rule--of new forms of fight, tendencies, and actions of cooperation among progressive forces. The history of this brotherhood in arms that has seen tremendous bloodshed, thousands of people mutilated, imprisoned, enrolled in forced labor detachments, sent to labour camps or to Hitlerite death camps must be written with due respect for truth, following a lucid analysis of the situations and actions, with a sense of honesty and objectivity.

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3 February 1986

POLITICS

ROMANIA

## CEAUSESCU'S VIEWS ON ROLE OF NATION IN SOCIALISM, IN WORLD

Bucharest ERA SOCIALISTA in Romanian No 21, 10 Nov 85 pp 17-20

[Article by Mihai Arsene for the first year of the University of Politics and Management: "The RCP's Revolutionary Conception of the World and Life. Party General Secretary Nicolae Ceausescu's Contribution to Creative Development of the Theory and Practice of Socialist Construction and Revolution"]

[Text] The RCP specially emphasizes questions of the place and role of the nation in socialism and in contemporary world development as an important motive force for every country's economic and social progress and a major requirement for international collaboration and peace. The RCP's view of the place and role of the nation in the present period was creatively developed with new theories and conclusions in the light of revolutionary experience and the new historical facts under the telling influence of Nicolae Ceausescu's bold innovating thought and the guidelines set by the Ninth Party Congress and the subsequent party congresses and national conferences as well. The experience acquired by the RCP and the nation in solving the minorities problem and in developing the socialist nation, as well as the theories and opinions about the place and role of the nation in the world of today that are included in the RCP Program and in Nicolae Ceausescu's works make a major contribution to revolutionary theory and practice.

## Place and Role of the Nation in the Contemporary World

The full assertion and all-around progress of the nation is an objective law of present-day social development and a main characteristic of this period. The RCP Program says, "The RCP proceeds from the fact that the nation and the national state have a vital part to play both in the period of socialist construction and in communist society for a long time to come. In this period of higher social development consolidation of the nation and the independent national states is an inevitable objective necessity and a prime factor for successful socialist and communist construction."

The nation is the regular product of society's objective historical evolution. It appeared in the modern period of collapse of the feudal system and the rise of capitalism as a result of a long process during which its characteristic community of territory, economy, origin, language and culture gradually

developed. Formation and development of the nation and the national states have been playing a historically important part in man's general socioeconomic progress.

The Romanian and other peoples' historical experience shows that in the long run foreign domination and occupation, however onerous, cannot stop the manifestation of a people's common interests, the assertion of their nature, or the formation of the nation and unified national state as an objective necessity and an inevitable process. The operation of this law is fully borne out by the effective progress of the peoples' struggle against foreign oppression for national emancipation, which has led in the last few decades to the downfall of the colonial system of imperialism and the formation of more than 100 new sovereign states. By eliminating colonial, imperialist domination and consolidating their independence the young sovereign states and developing countries are emerging more and more in international affairs and the world of today as active factors for progress and peace. The advance of the nation is also brilliantly reflected in the continuing development and progress of the nation in the socialist countries. As they acquire new and better characteristics the socialist nations are demonstrating their vital place and role in building the new order and in raising those countries to higher levels of civilization. The aspiration to assert and defend national existence and to further each and every sovereign state's interests is also notably strong in the advanced capitalist countries, where the nations were formed some time ago. All this means that the ideas of national sovereignty and independence are inspiring the masses and that the will of the nations and peoples everywhere to be free and independent and to decide their own future and course of development is becoming more and more pronounced in the contemporary world. The fact is becoming increasingly apparent that the nation as a higher historical form of human community and the independent national state form the most favorable structure for the peoples' development and progress and for the freedom and peace of mankind.

Echoing the backward imperialist forces, who see in the advancement of the nation and promotion of the policy of national independence a major obstacle to their policy of exploitation and domination, some bourgeois theorists contest the role of the nation and the sovereign national state on the erroneous ground that they are "obsolete" historical categories showing signs of "aging" and "exhaustion" or that they are "factors for anarchy and disorder" in the contemporary world allegedly "responsible" for the persistence of wars and for the armament policy, and therefore in their opinion the nation and national state must "give way" to some forms of supernational, superstate organization. Believers in globalist ideas, they propose to establish a "world state" or a "world government" to "take over" the functions of the national states and accordingly "secure" the abolition of war and the progress of mankind.

The international realities and historical experience emphatically refute such reactionary theories and demonstrate that so far from having become "obsolete" concepts or ideas the nation and the national states are definitely proving themselves in the contemporary world as mobilizers of the peoples and are expected to play a vital part in social progress for a long time to come as well as in the efforts to establish a new climate of international understanding, peace and collaboration. Experience and the events clearly prove that wars and conflicts among states are not caused by the existence of nations and sovereign states but

by perpetuation of the policy of force or threat of force, escalation of armaments, redivision of the world into spheres of influence and domination, interference in the peoples' internal affairs and violation of their freedom and independence.

The prevalence of world interdependences, the consequences of the technical-scientific revolution, and the proliferation of world problems are wrongly invoked in support of the globalist theories. To be sure the world interdependences, economic, political, cultural etc., the new technical-scientific revolution, the expansion of international collaboration, and the "globalization" of the problems facing the peoples of the world are objective realities of this period, but they cannot and should not in the least detract from the active role of the nations and national states and the importance of their sovereignty and independence. On the contrary, it is only by strict observance of the states' vital national interests and independence and the peoples' inalienable right to choose their own course and strategy of socioeconomic development with no outside interference, to be masters of their natural resources, and to play an active part on an equal footing in the solution of world problems that any productive collaboration can be secured among nations and peoples or any lasting, just or democratic settlement of the contemporary world's major problems in accordance with every people's aspirations to freedom, peace and progress as well as the interests of mankind. Moreover Marx and Engels have already pointed out that effective international collaboration is possible only among independent and sovereign nations.

The RCP and its general secretary regard the struggle for the advancement of the nations and consolidation of national independence and sovereignty as an integral part of the struggle against imperialism for innovating, progressive social reform and for a new international economic and political order based upon democratic relations among all countries and peoples. As Nicolae Ceausescu pointed out in demonstrating the viability and active, progressive role of the nation in human evolution, "The world's entire development unquestionably proves that in the present period the formation and development of the national states are vital factors for social progress, for abolition of underdevelopment, for the struggle against imperialism and colonialism, and for a better and more just world."

In the light of the realities of the world of today and the lessons of historical experience, the RCP regards consolidation of the nation and the independent national states as an inevitable necessity and a vital factor for socialist and communist construction.

Socialism opened the way to Romania's complete fulfillment and prosperity and to the assertion and consolidation of its independence and sovereignty by inaugurating a veritable era of national renaissance, while the nation in its turn is developing and prospering steadily in an optimal environment for socialist revolution and construction and for building the fully developed socialist society and Romania's advance toward communism.

#### The Nation Under Socialism and Its Higher Development in Socialist Construction

The revolutionary reforms in all social activities made in the last 20 years especially, namely eradication of the exploiting classes and class antagonisms,

institution and improvement of socialist social and production relations, growth of the productive forces and rapid, harmonious development of the national economy as a whole, development of workers revolutionary democracy and of science, education and culture, and the formation and development of the masses' socialist awareness are all critical to the Romanian nation's future under the new order. All these structural and qualitative changes characteristic of socialism are bringing about the all-around prosperity of the nation and better fulfillment of its potentials for progress.

In the course of building the new order Romania is developing and enriching its general characteristics while also acquiring new characteristics that qualify it as a socialist nation. Nicolae Ceausescu says, "Abolition of the division of society into antagonistic, oppressed and oppressor classes, formation of socialist society based on friendly classes motivated by the same aims and interests, and uniform development of the productive forces, science, education, culture and a new conception of the world and life have radically changed the nature and role of the nation. We are quite justified in saying that the Romanian nation has acquired better characteristics and developed further in the course of building the fully developed socialist society and the advance toward communism."

The revolutionary reforms in Romanian society and in relations among the social classes brought about by the victory of socialism, development of the productive forces and construction of the uniform socialist economy led to the formation of a new Romanian social structure now composed of friendly social classes and categories united by the same aims and vital interests, namely construction of the fully developed socialist society, the nation's continued prosperity, consolidation of national sovereignty and independence, and socialist Romania's greater prestige in the world. In that context the solid unity of the Romanian socialist nation, all workers of all nationalities, and the entire people around the Communist Party is growing in strength. Meanwhile the increasingly pronounced leveling of the Romanian socialist nation is assured by the intensified collaboration and solidarity of all the workers regardless of nationality, the gradual disappearance of the essential distinctions between the social classes and categories, and the national socioeconomic development as a whole.

Exercise of social leadership by the working class and the RCP, as representatives of the nation's vital interests, is vitally important to consolidation of the Romanian nation's unity and cohesion. It secures the increasingly effective advancement of the nation and the development of its role and that of the sovereign and independent national state in building the new order and raising the Romanian socialist nation to new heights of progress and civilization, thus lending it a new and distinctive feature of critical importance. Completely identifying itself with the vital interests and ideals of the nation and the entire people, the RCP as the vital center of the nation makes consistent efforts to provide optimal conditions for the nation's higher development and the further consolidation of the Romanian socialist state and its independence and sovereignty. The party's constant effort to form and develop new relations of collaboration, mutual respect and solidarity among all Romanian citizens strengthens the nation's cohesion and the people's moral-political unity, and it advances the Romanian socialist nation more and more as a powerful motive force for social progress and for socialist and communist construction.

A major achievement of contemporary Romanian society and another essential feature of the Romanian socialist nation is the formation of a suitable institutional structure for all workers' and the entire people's participation in the discussion and solution of all problems concerning Romania's future, in economic and social management and that of all society, and in making the Romanian socialist state a state of workers revolutionary democracy. Regular improvement of the state's functions, development of its role in the present stage of national development, and consolidation of its ties with the new democratic bodies of society are making it active as the supreme representative and organizer of the entire existence and activity of the nation and the people. The intensified participation of the workers and the entire people in making the vital decisions on the nation's present and future is enhancing Romania's capacity for self-management. In a process of constant development and improvement, workers self-management is one of socialist Romania's most significant characteristics, going to the very heart of the new order and revolutionary socialist democracy.

Radical changes have also taken place in the years of socialist construction in Romanian culture, based upon the working-class revolutionary ideology and the historical and dialectical materialist conception firmly today. Romania's new culture reflects its vital aspirations and the ideals of a community that works in a revolutionary spirit for the socialist nation's socioeconomic progress. Development of education, culture, science and art pursuant to the RCP Ideological Program, all citizens' extensive and unrestricted access to education and to the values of culture and civilization, complete fulfillment and assertion of the harmoniously developed personality, and active manifestation of socialist awareness are active factors for socialist construction, the advance toward communism, and consolidation of national unity.

The Romanian socialist nation's new traits and characteristics are undergoing a dynamic process of evolution and qualitative change as construction of fully developed socialism and the country's advance toward communism are being accomplished. In close connection with the changes and reforms that will take place in the further stages of socialist construction and the advance toward communism, the Romanian nation will reinforce its present characteristics and acquire new traits as well. The party general secretary said in summarizing this process that there is every reason to suppose that as it acquires new characteristics and qualities the nation will continue to be an important factor for progress, civilization and international collaboration and peace in communist society too. In view of scientific socialism's conception of the nation's role and future and, as the party general secretary pointed out, "the fact that the nation will continue to play an important part in social progress and collaboration\* for a long period of time including communism, we are obligated to make every effort to develop the Romanian nation's new qualities and to even and strengthen its unity as a vital factor for the victory of socialism and communism in Romania."

#### Solution of Minorities Problem. Stronger Unity of Workers of All Nationalities

The existence of the national minorities in Romania is due to historical development, to the settlement of other nationalities alongside the Romanian people on Romanian territory in various historical periods. In the course of their co-existence the Romanian people and the national minorities established relations of collaboration and good will and often fought together for freedom against social exploitation and national oppression.

From the very beginning of its activity the RCP has resolutely opposed any discrimination, inequality or social or national oppression and staunchly militated for all workers' full equality of rights. The great structural changes made in Romania since 23 August 1944, in the years of socialist construction and revolution and especially since the Ninth Party Congress, and the RCP's correct and scientific nationalities policy formed the permanent basis for the solution of the minorities problem in Romania in the spirit of the Marxist-Leninist revolutionary conception, for guaranteeing all Romanian citizens fully equal rights, and for strengthening the unity and solidarity of all workers regardless of nationality. That is one of the greatest gains of socialism and contemporary Romanian society.

When it inaugurated the era of all-around national progress, socialism also instituted the necessary socioeconomic and political structure to assert the dignity and characteristics of each nationality and created favorable conditions for the development of all the nationalities, and together with the Romanian nation under party leadership they are building a bright future on the soil of the common fatherland, the Socialist Republic of Romania.

In Romania full equality of rights has been guaranteed all workers of all nationalities in all economic, social, political and cultural activities, so that Romania has accomplished what is still not assured in many countries of the world including the most developed capitalist states, namely the right to work, one of the basic human rights. Not only has this right been entered in the Constitution and other laws but development of the productive forces and their rational allocation throughout the country have made it actually possible for this right to be enjoyed equally by all Romanian citizens regardless of nationality. Guarantee of the right to work, consistent application of the socialist principles of remuneration according to equitable standards, and development of the economic potentials of all counties and especially the backward ones form the lasting basis for enforcement of all workers' and all citizens' full equality of rights.

The right to education, science and culture is another basic right that has been assured and guaranteed through socioeconomic progress. The state provides for all Romanian citizens' access to all forms of school, trade-school, high-school and university training, continuous improvement of education, its correlation with the research and production requirements, its development in both Romanian and the minority languages, and expansion of its material base, so that all youths of all nationalities can be trained as good, highly qualified specialists and advance in any field of the common fatherland's development. Meanwhile the Romanian socialist state provides broad and unrestricted access to culture and the material requirements for an extensive cultural-artistic activity, especially in the minority languages. Full use is made of the cultural output in both Romanian and the languages of the Romanian citizens of other nationalities at the National Cintarea Romaniei Festival, an extensive cultural and political-ideological demonstration for forming and developing socialist awareness.

The RCP and the state also provide for participation of all workers of all nationalities in social management. To this end a broad political-organizational structure has been created and continually improved in the years since the Ninth Party Congress, permitting equal and effective participation of all citizens and the entire people in discussion and adoption of decisions on the nation's

all-around development. The party general secretary said, "We are determined to develop these democratic forms of popular participation in social management even more intensively because we are firmly convinced that it is only with the people that we can achieve socialism, and since we are building it for the people they are the ones to decide upon the best way to accomplish it."

The political-ideological and cultural-educational effort to form the new man as a purposeful builder of the new order is a major requirement for securing all Romanian citizens' full equality of rights. The whole effort to form and develop socialist awareness is intended to strengthen the entire people's unity around the party, loyalty to party and country, revolutionary socialist patriotism in close correlation with international solidarity, the revolutionary spirit, and the resolve to make every effort to carry out the party's and state's domestic and foreign policies.

As the documents of the 13th Party Congress point out, any instances of nationalism, chauvinism or other forms of humiliation foreign to the revolutionary socialist conception must be firmly opposed if the entire people's unity around the party is to be strengthened. Such instances are typical of the capitalist system and the policy of the exploiting classes, who have always tried to divide and embroil workers of different nationalities. As Nicolae Ceausescu said in his report to the congress, "Let us make every effort to strengthen the friendship and solidarity of all Romanian citizens regardless of nationality! Combating nationalism and chauvinism is an integral part of the effort to form the new man with an advanced awareness as a purposeful builder of socialism and communism!"

Now that Romania has permanently solved its minorities problem, guaranteeing full equality of rights for all Romanian citizens and all workers, who are all sons of one fatherland and citizens of the Socialist Republic of Romania regardless of their nationality and language, all attempts of some reactionary, imperialist circles to disparage the Romanian people's magnificent achievements and the correct minorities policy of the RCP and the Romanian state. Any attempt at diversion or to fabricate a so-called minorities problem in Romania can serve only the imperialist reactionary circles and is intended to mislead public opinion and the peoples and to contribute to the deterioration of international relations. Such attempts, reviving theories and ideas refuted by history that seriously impaired in their time the Romanian people's national interests as well as those of other peoples, have nothing in common with Marxist-Leninist principles. They are intended to divide the peoples and to justify interference in other states' internal affairs. The Romanian people very emphatically reject any attempt upon the unity of Romanian workers. The facts show that such attempts are doomed to failure and that the entire Romanian people and all the nation's sons, regardless of nationality and under the RCP's leadership, are firmly resolved to strengthen their solidarity and collaboration and to do all they can to secure a new, free socialist and communist life here in Romania, where they were born and live.

#### Further Collaboration with the Other Socialist Countries and All Countries

In its entire political-educational work, the RCP primarily emphasizes development of revolutionary socialist patriotism, of love of country, and of responsibility and dedication to the people and their revolutionary gains, as well as the

determination to struggle and work tirelessly for socialist and communist construction and to strengthen Romania's sovereignty and independence. Moreover in its effort to form the new man the party is effectively developing the spirit of international solidarity and of friendship with the socialist countries, with the peoples of the developing countries, with the advanced forces everywhere, and with all peoples in favor of peace, collaboration and relations of equality among all nations of the world. As Nicolae Ceausescu said in his Report to the 13th RCP Congress, "Let us always dialectically combine education and development of socialist patriotism with the spirit of international solidarity and friendship in the struggle for socioeconomic progress and for collaboration and peace in the world!"

The RCP's and its general secretary's conception of the inherent unity of revolutionary socialist patriotism with militant international solidarity is basic to socialist Romania's international policy and whole effort to promote widespread collaboration with all countries of the world on the new principles of relations among states and to build a new world order based on complete equality and justice that will permit every nation's free, prosperous and peaceful development.

The extensive constructive undertaking in which the Romanian people are engaged and their constructive effort can succeed only in an atmosphere of peace, collaboration and friendship with the other peoples and nations of the world. Nicolae Ceausescu has repeatedly pointed out that socialist Romania's prosperity and progress in no way conflict with the interests of other nations and peoples, just as the other nations' development can do no harm to Romania's interests. On the contrary historical experience demonstrates the close unity and dialectical interdependence of the Romanian people's vital national interests with the vital interests of the peace, independence and progress of all peoples and nations of the world.

At the same time the RCP realizes that the contemporary world is faced with many serious problems requiring both the national and international unity and solidarity of the revolutionary, progressive and anti-imperialist forces and the close collaboration of all peoples. Stopping the armaments race, safeguarding peace, eradicating the hotbeds of conflict, building a new world economic order, democratizing international relations, and building a better and more just world require consolidation of the socialist countries' unity and solidarity, of the communist and workers movement, and of collaboration of all the progressive democratic forces.

In keeping with these requirements the RCP and the state are working consistently to strengthen and develop collaboration and solidarity with all socialist countries and to settle the existing differences between some socialist countries, regarding the socialist countries' solidarity, unity and collaboration as vital factors for socialist construction in every country, for the greater power and prestige of socialism, and for the policy of disarmament, peace and collaboration among all nations of the world. Meanwhile Romania is promoting collaboration and solidarity with the developing countries, the unaligned countries, and the small and medium states, since greater solidarity and collaboration with those states are important in promoting the policy of independence, cooperation and world peace. Romania is also expanding its connections with the developed



capitalist countries and with all countries of the world regardless of their social systems. All of Romania's foreign relations are based on the principles of equal rights, observance of national sovereignty and independence, noninterference in internal affairs, mutual benefit, and abstention from use or threat of force.

The RCP's and state's policy of promoting widespread international collaboration and solidarity with all the revolutionary, democratic and progressive forces and consolidating friendship with the socialist countries and with all peoples of the world serves the vital interests of the workers in Romania and in the other countries as well as the basic requirements of the present period.

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POLITICS

ROMANIA

ROUNDTABLE ON PROCEEDINGS OF STUTTGART HISTORY CONFERENCE

Bucharest ERA SOCIALISTA in Romanian No 21, 10 Nov 85 pp 28-36

/Discussion by Univ Reader Dr Ion Ardeleanu, Univ Prof Dr Virgil Candea, Univ Prof Dr Vasile Cristian (Iasi), Univ Prof Dr Mircea Petrescu-Dimbovita (Iasi), Univ Reader Dr Nicolae Edroiu (Cluj-Napoca), Maj Dr Mihail E. Ionescu, Univ Reader Dr Mircea Musat, Univ Prof Dr Stefan Stefanescu and Dr Razvan Teodorescu

/Text The proceedings of the 16th International Conference on Historical Sciences took place in Stuttgart (FRG) from 25 August to 1 September 1985 and were attended by more than 2,200 historians from 59 countries on all continents and by representatives of 33 affiliated international bodies as well. Sixty-three Romanian specialists (academicians, researchers and teachers from all university centers) were present.

In general the congress was conducted in an atmosphere of scientific discussion, dialogue and exchange of views and information intended to make historical science a means to rapprochement and knowledge among peoples, fostering respect for every nation's past and present.

The proceedings of the congress included praise of the preceding congress, held in Bucharest in 1980, honorable mention of Nicolae Ceausescu's message addressed to the world's historians with a high sense of responsibility for the future of peace and mankind, and references to the Appeal for Understanding and Cooperation Among All Servants of History sent out from Romania's capital at the time.

The following discussion was meant to inform ERA SOCIALISTA's readers of the main questions discussed at the Stuttgart Conference, the Romanian researchers' contributions to the proceedings of that high scientific forum, and the problems of the Romanian people's history that were considered or disputed by those present. The discussion was also intended to take up other questions that will be considered by Romanian historians during the present stage in the light of the proceedings of the congress and will require new and intensive investigations.

MIRCEA MUSAT: The proceedings of the congress were divided into five sections, namely Major Subjects, Methodology, Roundtables, Chronological Section, and Affiliated International Bodies. Such subjects as "The Indian Ocean," "The Other's Image: Foreign, Minority and Marginal Peoples," "Resistance to Fascism,

Nazism and Japanese Militarism," "Max Weber and the Methodology of History," "Archeology and History" and "The Film and History."

The Romanian historians were active in the 40 and more sessions of the sections of the congress, in the 100 and more sessions of the 33 affiliated international bodies, and in the 10 roundtables (an innovation in the agenda of the historical congress that was widely appreciated because of the variety of subjects taken up and the possibilities for scientific dialogue). In accordance with the guidelines pointed out by Party General Secretary Nicolae Ceausescu, they asserted the viewpoint of Romanian historiography on all the major subjects discussed at the congress, a viewpoint based upon the latest archeological and documentary discoveries and archival studies. The Romanian historians' 90 and more contributions (reports, coreports, papers and comments) helped to enhance the prestige of Romanian historical science.

The proceedings of the congress were constructive on the whole, although they also included some attempts to advance unscientific viewpoints incompatible with the historical facts and historiographical progress. Among the questions giving rise to differing views and contradictory opinions were those concerning the expansionist policies of the great powers and empires in the course of history and their relations with the small and medium states, the system of Paris peace treaties after World War I, the outbreak of World War II, et al.

The Romanian historical scientists' presence at the congress was valued by those present, and it brought out their competence, sense of responsibility, and high scientific standards. The Romanian historiographers' points about the Romanians' history were cogent and accepted by foreign authorities.

I would also like to mention here the two book exhibitions arranged during the proceedings of the congress, one in the rooms of Liderhalle [sic] with more than 300 titles of history books in addition to technical journals, albums, atlases and other subject publications, and the other in the rooms of Stuttgart University Library. The main place on the Romanian stand of history books at the Liderhalle, alongside exhibits of the outputs of 50 famous publishing houses in Europe and the United States, was given to Nicolae Ceausescu's works concerning Romania's stand on the contemporary world's major problems, the Romanian president's views on history and the historian's place in the life of the nation, and the Romanian party and state leader's initiatives and opinions on the ways to create a climate of peace, understanding and collaboration in the world.

VIRGIL CANDEA: The Romanian researchers' contributions were many, varied and valued indeed. The Romanian participants actually represented the entire Romanian school of history because they contributed not only their own studies but also the new findings, theories and ideas of all centers of historical studies in Romania. Moreover the exhibition of Romanian history books just mentioned here was a summary of the results obtained in Romania in the various branches of the field.

The Romanian researchers' contributions were varied because they displayed competence not only in matters of national history but equally so in many questions of world history. The Romanian historians' contribution was highly esteemed, as indicated by the place given to the Romanian reports on the agenda, the remarks

about them, the reactions to the Romanian historians' comments and, I would add, the interest taken in the books on the Romanian stand, which were ordered by foreign colleagues undoubtedly because they wish to use them in their studies.

ION ARDELEANU: The Romanian historians reported the conclusions of Romanian historiography about the Romanians' place in European and world history, with emphasis upon the long continuity of the Romanian people's material and cultural existence in their ancestral homeland; the Romanian lands' heroic struggle against the expansionist policy of the great empires; the social battles of the 18th century and especially the revolutions of 1821 and 1848 and their significance in the process of social and national emancipation in order to form the modern Romanian state and to win complete state independence; the popular character of the war to reunite the people in 1916-1918; international recognition of the unified Romanian national state; the struggle with the threat of fascism and war; Romania's contribution to the defeat of Nazi Germany, et al.

The Romanian historians' views were followed with interest by their foreign colleagues. In many cases historians from Great Britain, France, Finland and the USSR took up and argued the Romanian specialists' views with data from their own studies. This is illustrated by the discussions of some reports in the "Major Subjects" or "Chronology" section, especially on modern and contemporary history.

The discussions on the subject of "The Small States in Connection with the Cultural, Political and Economic Exchanges Between 1750 and 1914" brought out the fact that the peoples used all means, including political and diplomatic ones, in the struggle to defend their existence, to develop their cultures, and to secure their sovereignty and independence from the oppression and domination of the great empires. Contrary to the assertions of some historians who defended the outmoded theory of the "progressive role" of the great empires, the Romanian historians demonstrated their bad influence upon the peoples of Southeast Europe. It was pointed out in this connection that the acquisition of full state independence in 1877 freed the Romanian national state of all the burdens imposed by foreign domination and provided it with extensive opportunities for internal and external development for purposes of consolidating its independence and sovereignty as a prerequisite for counteracting any attempts by the great powers to isolate it internationally and prevent it from fully exercising its rights.

STEFAN STEFANESCU: Questions of the effects of the present technical-scientific revolution upon historical science, the place of historiography, the importance of its scientific substantiation and the necessary correlation between it and the fact-finding effort of contemporary historical research were important points in the subject matter of the congress. The social responsibility of the historian, who is obligated to use various means and various historical sources to make history an instrument of international understanding and a weapon in the service of peace and progress, ran like a leitmotif throughout the discussions.

In the course of the proceedings of the congress special emphasis was placed on the changes in today's world, which could not and cannot be ignored by historical research. This was reflected both in the great importance attached to the contemporary history section and in the extended discussions in some roundtables of such very urgent subjects as "Historians and Questions of Safeguarding Peace,"

"Ecology," "Natural Sciences," "Human Sciences," "Behavioral Historical Research and an Anthropology Based on Historical Innovation," "Principles of a Methodology for Editions of 19th-20th Century Sources," etc.

The Stuttgart Congress brought out the growing influence of advanced thought and especially Marxist thought upon historical studies. This influence is making itself felt through the increasingly pronounced assertion of a universal view of history and the need of uniformly equal treatment of the structures and the evolution of historical phenomena.

The impact of Marxist thought upon the contemporary methodology of history is reflected in the growing trend toward interdisciplinary treatment and in the effort to quantify and design models. These innovations in research methodology make it possible to reveal the underlying processes of historical reality and the resulting regularities, trends and connections between different elements of reality.

The Stuttgart Congress demonstrated once again that the national phenomenon must conform to the universal one and emphasized the scientific requirement for the national historiographers to broaden their investigations in constant correlation with the general-European and worldwide evolutions.

MIRCEA MUSAT: The proceedings of the congress brought out some general trends and directions in contemporary historiography, such as open recognition of an interdependence and interaction between history and politics. Regardless of the historical period treated, the conclusions drawn from past experience have a direct bearing on the present and on current political trends. The subject matter of the congress graphically reflected the inherent tie between past, present and future. To this effect the new chairman of the International Committee on Historical Sciences, the Mexican historian Ernesto de la Torre Villar, said that "At the end of this century history is living under a cloud of contemporary considerations, and the chief mission of the historians of the world is to help strengthen international understanding, peace and collaboration."

The proceedings of the congress also demonstrated that there is still a gap between descriptive history and analytical and explanatory history, in that descriptive treatment of the facts is still being greatly extended while efforts to bring out the relationships among the historical facts, to interpret the data and to make correlations are still secondary. Particular interest was taken in the study of political, economic, technical-scientific, cultural, military and institutional relationships among peoples, regions and continents, with special emphasis on questions of economic history and of the evolution of relationships between the progress of the production means and social development as a whole.

The view was expressed that military historiography must take up military problems not just from the viewpoint of battles and violence but also from the economic-cultural, moral and political standpoint of the disastrous consequences of wars for society.

As it was noted above, a trend that is gaining more and more ground is the interdisciplinary approach and interest in social history, especially in the new social problems (social position of women, the technical-scientific revolution, the

exchange of values among peoples, the problems of peace in history, etc.). The roundtable discussions of the subjects "Historians and the New Technology," "The Women's Peace Movement in the Nuclear Age," "The Family in History," et al. were significant in this respect.

VIRGIL CANDEA: The subject matter of an international congress on historical sciences follows from the suggestions submitted to the International Committee which, by virtue of its components, represents schools and trends of historiography throughout the world. I make this qualification for a more accurate evaluation of the Stuttgart Congress' subject matter, which reflected the interests of the servants of the historical sciences throughout the world as well as the bearing of those sciences upon mankind's major problems.

Upon perusing the agenda of this congress, we find various categories of problems, namely general ones ("Archeology and History" for example), special ones ("Motorization of Highway Traffic and Its Effects in the 1885-1985 Period") and regional ones ("The Indian Ocean" or "The Role of Religions in Africa"); those of great political urgency ("New Aspects of Diplomacy Since 1914: Structure, Preservation of Peace and Techniques," "Political Parties, Public Opinion and the Problem of National Security Since 1945," or "Social Changes in the Developing Countries"); those pertaining to the history of ideas ("The Other's Image: Foreign, Minority and Marginal Peoples," "Popular Movements and Religious Movements in the Middle Ages," or "Religious Reform Movements in Europe in the 16th Century"); those pertaining to the philosophy and methodology of historical studies ("Max Weber and the Methodology of History"), etc.

Of course there was an even greater variety in the subject matter of the bodies specializing in particular historical periods (ancient times, the Middle Ages and the modern and contemporary periods), in regional history (Byzantine studies, Southeast European studies, etc.) or in particular fields (military history, history of cities, universities, law, economics etc.).

What do we conclude from this variety in the agenda, not only in the subjects but also in their relative importance?

First that two trends are involved in the field of historical sciences, one that carries on the broad lines of modern historiography, concerned with in-depth interpretation of the motive forces and mechanisms of the evolution of societies, and the other reflecting interest in determining the human manifestations in all their diversity. The first one, the broad view of history, favors interdisciplinary treatment and serves many other human sciences, while the second one is ultimately concerned with the morphology of historical phenomena. I think the subject matter of the first category is more suited to an international congress. The history of the automobile, for example, should be discussed in meetings of another kind (colloquia, roundtables etc.).

We also conclude that there is still a trend toward constantly growing involvement of the historical sciences in the major problems of the present period (peace, development, cooperation, mutual understanding and the new international order). As a matter of fact this trend was emphatically brought out by the subject matter of the 15th International Congress on Historical Sciences held in Bucharest in 1980, serving both the wish to understand human evolution in its

entirety (globalization is a characteristic of the period following World War II) and the general conviction (even if many disagree) that the lessons of history are important and therefore lessons must be learned from past experiences.

**RAZVAN TEODORESCU:** The Stuttgart Congress unquestionably presented a new "era" of world historiography that seems more and more to have actually begun at the Bucharest Congress. Carrying on some innovations introduced there (And I too would mention interdisciplinary treatment primarily), the historians international forum at the end of this summer demonstrated more and more convincingly that history has almost finally ceased to be regarded as a mere sequence of events more or less remote in time and pertaining particularly to the great "established" civilizations of the world. It has become more and more the dynamic review of underlying, often invisible successions, coexistences or recurrences of collective attitudes, ideologies or psychologies from any point on the planet (The "planetization" of history is clearer than ever today) beyond the bare event, beyond the individual, and beyond mere chronology.

The field is becoming more and more one wherein the researcher must know the essential elements of anthropology, geography and ethnology (clear from discussion of a subject like the role of mountains, rivers and deserts in world history), those of sociology and economic history (The discussion of Max Weber's legacy was conclusive), and those of psychology, literature or art (needed for discussing such a provocative subject as "The Other's Image"), and examples could be continued.

Certainly this is not the place to discuss whether this new emphasis, which was even more conspicuous at Stuttgart, benefits international historiography or how much. I think the essential point is that Romanian historians are prepared by their very background and the most brilliant traditions of Romanian historiography to approach history from a multidisciplinary and receptive viewpoint with broader horizons from which, moreover, the investigation of Romania's own past, a past of material and cultural historical synthesis, stands only to gain. The legacy of Dimitrie Cantemir, Nicolae Balcescu and more recently that of Iorga, Xenopol and Parvan are essentially multidisciplinary, involving political, economic and cultural history. And Romanian historiography has proved more than once in the last few decades that it has forces capable of treating a given question of Romanian or Balkan or European history in general in a comparative, interdisciplinary way.

I accordingly believe that we should further develop in our specialized higher education the taste for connections in the humanistic sciences and for the disciplines of cultural history and philosophy of history (interdisciplinary in themselves) in order to train informed and modern researchers in flexible thinking capable of detecting nuances, and those qualities are acquired by reading, by intensive cultivation and by encouraging young minds to reflect and especially to keep making comparisons in their fields.

**ION ARDELEANU:** The papers and reports on the workers movement were also eloquent. Many aspects of the rise and development of the international workers movement were brought out in connection with the major subject "Max Weber and the Methodology of History." The West German historian Christian Meiere declared that "For the first time in such a forum the historians are taking an

interest in knowing social history and the history of the workers movement," that there is "pronounced receptiveness to the systemic social sciences and to Karl Marx' various contributions and demands..," and that in this period the historians "are raising the question of determining the existing connections between the attitude of the individual and that of his period."

The idea about the peoples' attitude and psychology and community-individual relationships was a subject of discussion concerning the subject of "The Other's Image: Foreign, Minority and Marginal Peoples." The masses' telling contribution to the struggle for social justice and national freedom, the progressive role of the nation and national states in social evolution, and the favorable effect of the advanced ideas upon the peoples' existence were brought out on this occasion. But some attempts were made to restore the indigenous people's image of the social groups of another ethnic origin by justifying oppression. For example some historians, abandoning the scientific data, embellished the Austro-Hungarian dualist empire's "policy of religious tolerance." Contrary to those opinions, the Romanian historians pointed out the heroic struggle of the Romanian people in Transylvania against the Austro-Hungarian authorities' Magyarization policy on behalf of political, cultural and religious rights. They also defined the concept of "religious tolerance," and their view was accepted in the conclusions from the discussions of this subject.

VASILE CRISTIAN: In its broad lines the subject matter of the Stuttgart Congress reflected the general trends of contemporary historiography, as it has already been indicated. Yet the organizers made a selection by their very choice of subjects, so that those trends naturally could not have been represented there in their entirety. And then there was a certain preference for fields offering new prospects for investigation of the past and especially the more recent past. Short of being centers of gravity in the historical investigation, those fields aroused interest just by their novelty, or rather their relative novelty, and sometimes by their spectacular quality. For instance the relationship of films and history was one of the very popular subjects, and a good deal of time was devoted to it. The question had already been taken up in various works published in the last few decades. This time it could be presented and discussed under more favorable conditions because it could be directly illustrated with documentary or historical films. Even though some of those present overrated the importance of the matter, it was made clear that it should not be overlooked either in research work or in disseminating historical knowledge.

One important question that was raised at Stuttgart and to which further thought should be given is the relationship between "structural" history and "narrative" history, which has also been discussed extensively by the Historiography Commission. Actually the question should be expanded by discussing the structure-politics relationship. Many contemporary historians display an evident tendency to neglect the former in favor of the latter, especially under the influence of the French "Annals" School. This was also reflected in the choice of some subjects and in the way others were treated during the congress. The tendency should be corrected as required. The aspiration to a "total history" is as natural as can be, and the inducement for it comes to us all the way from Voltaire and Marx. But in its practical application this so noble aspiration is sometimes altered by the way the political act is viewed, as a "mere agitation of the surface" and accordingly unworthy of any but secondary consideration. But when



that view is taken "total history" ceases to be "total," and while an older, unilateral treatment of history is criticized, it amounts to another kind of unilateralization of it. Possibly the role of political history can be ignored in seeking new theoretical or methodological constructions, but the historical facts demand it. Even without being expressly stated, the fact clearly emerged at several of the meetings in Stuttgart and it was pointed out in various comments of the Romanian delegates.

In general the question of the tradition-innovation relationship merits more attention. The new acquisitions are most fertile, but they cannot be fully applied unless they are grafted upon the long-standing and useful legacy of previous results. For history is to be treated as a science, with all the ensuing obligations, but it also has an important social mission now more than ever.

STEFAN STEFANESCU: I would point out that while the Stuttgart Congress carried on the efforts made at the 15th International Congress on the Historical Sciences hosted by the capital of Romania, it marked a new forward step in taking up a broader subject matter to cover the entire planet. The effort to do away with the Europe-centered remnants made itself increasingly felt. The western regions of Europe lost much of their former preferential treatment. It is also significant in this respect that for the first time in the history of the international congresses a historian from a non-European country was elected chairman of the International Committee, namely Prof Ernesto de la Torre Villar from Mexico.

NICOLAE EDROIU: Indeed the recent international historical congress demonstrated once more that the historiographers from countries outside the European continent and North America are distinguishing themselves. The previous congress, in Bucharest, was attended by the first historians from many African, Asiatic and South American countries. It was the first time the historians from the CPR attended an International Congress on Historical Sciences. Their membership in the International Committee on Historical Sciences as well as that of the historians from Kenya and Nigeria were announced at the recent congress in the FRG, where 39 of the 59 participating countries are outside Europe.

The forward steps taken toward "de-Europeanization" are proof of the advancement of national historiographers on all continents and of the "globalization" of historical studies. This was also reflected in the subjects discussed at Stuttgart. The questions discussed in the "Major Subjects" section included those of Japanese militarism and the resistance of the peoples on the Asiatic and Australian continents to it. The section on "Chronology: the Modern Period" took up the subject of absolute monarchy in Europe and Asia, as well as that of the role of religion in Africa. And finally, the section on "Chronology: the Contemporary Period" discussed the subject of "Social Change in the Developing Countries," giving the historians from India, the Mongolian People's Republic, Zaire and Latin America and other regions and countries as well an opportunity to discuss the environment and the general changes made on those continents in recent decades. Discussions of this kind were continued in the sessions of the affiliated bodies (Pan-American Institute of Geography and History, International Commission for Maritime History, and Association of African Historians), those of the internal commissions (International Commission of Latin American Historians) etc.

Accordingly the Europe-centered view, in which the opinion of the mother country often predominated, is increasingly confronted with the findings of the historiographers from the countries freed of colonialism and imperialism. And global historiography and historical science in general have only to gain from this confrontation, broadening their field of investigation and coverage of the historical phenomena.

VASILE CRISTIAN: As it has been indicated here, the pronounced expansion of the scope of contemporary historiography has been graphically reflected in the participation of many historians from outside Europe and North America in the recent International Congress of Historical Sciences. Moreover the discussions also included regions that used to be little considered such as the Indian Ocean, Africa and Latin America.

Nevertheless I feel that a certain Europe-centered tendency still persists. Significantly enough, it was also present in the otherwise highly interesting discussions of the Historiography Commission. For instance the report on European medieval historiography considered only the examples of it in the west and center of the continent. The Romanian historians accordingly pointed out the important accomplishments of East European historiography such as those of Byzantine or Slavic historiography and convincingly brought out the contribution of Romanian historiography. The author of the report expressed his interest in and agreement with those comments intended to supplement the general impression of the writer of history in the respective period.

It should be noted that some western historians (although the fact has a broader application) are not adequately informed about East European history, and that additional efforts are needed to remedy this situation. Such efforts are particularly necessary because on this occasion too a special interest in the eastern region of the continent was apparent, and especially in the southeast of it. In the discussions of the parliamentary history of Europe before World War I almost all the comments were about this region, and it repeatedly attracted the delegates' attention in discussions of other subjects too.

The Romanian delegates' comments played an important part in this connection, bringing out Romania's place in world history, a subject which, as a matter of fact, also interested the specialists from other countries, both neighboring and western ones. It is therefore particularly necessary to increase the number of Romanian historians' works in world languages to provide all foreign specialists with an accurate picture of the notable accomplishments of Romanian historiography in recent times, which is also suggested by the appreciation of the two stands of Romanian books arranged for the congress, which stands attracted the interest and high praise of the foreign specialists. Accordingly I think a sustained and more intensive effort must be made, in preparation for the next International Congress on Historical Sciences, to translate works treating vital questions of the Romanian people's history. The Romanians' place in world history, in which as Iorga said we yield to no one, must also be asserted in this way. For let us not forget that the tendencies of some western historians to limit the area of interest to certain regions are a matter not only of tradition but also of information.

MIRCEA PETRESCU-DIMBOVITA: The relationship of archeology to history was one of the important questions discussed at the Stuttgart Congress. Unsatisfactory relations between archeology and "traditional history" were indicated on that occasion, and closer collaboration on an equal footing between those two disciplines was recommended for the future, particularly because noteworthy progress has been made in this century in archeology and especially in prehistory through increasingly extensive cooperation with the natural and technical sciences, both in regard to modern means of investigation and dating and in epistemology, or archeological theory and methodology.

Accordingly it has become increasingly clear that instead of the centrifugal tendency of many historians and archeologists, they must collaborate more closely for a better and more complete knowledge of the various aspects of the past. Among other things that requires joint investigation by historians and archeologists, in all respects and with their own means, of important archeological sites of particular interest to both. In this connection, a justified stand was taken during the congress against the American school of the "new archeology," derived from anthropology about 15 years ago and making archeology antihistorical because it sets out to study the archeological civilizations outside of space and time, considering only the causes of a given developmental stage and not the patterns that bring out the elements of regularity in those civilizations and govern the dynamics of their evolution.

The conclusion was also drawn from the discussions at the congress that archeology can no longer be considered an "auxiliary" discipline today because of the progress it has made. From the viewpoint of the methodology of archeological investigation, interdisciplinary studies and international collaboration must be expanded, and the unity of archeology and history must be used for correct interpretation of the past and proper perception of the present and future on the highest possible level of generalization. It was accordingly pointed out in the discussion of ways to decipher the historical content of the archeological sources that there must be a delimitation of the methods that permit checking the transition from the archeological fact, recorded and studied as such, to its historical interpretation in terms of space and time.

The Romanian participants in this discussion brought out a need of interdisciplinary investigations in order to study the problems of the ethnogenesis, or the beginning of the ethnogenesis of the Thracians in the Carpatho-Balkan area, the methods of investigating the Roman rural settlements in the province of Dacia, and the importance of historians' collaboration with archeologists in investigating the medieval urban settlement at Baia, the results of which have already appeared in two recently published volumes.

NICOLAE EDROIU: Among the subjects of social history discussed at the congress those in the section on "Chronology: the Middle Ages" concerning questions of the social and religious movements in the Middle Ages should be mentioned, as well as the one discussed in the International Commission for the History of Social Movements and Structures concerning technological innovation as a factor for changes, resistance (or adjustment) and reflection of attitudes.

As a matter of fact the social movements in various historical periods and eras have been regularly included in the subject matter and discussions of the

international congresses on historical sciences in the last 20 years. That fact is also indicative of the innovations in historical research and its anchoring in the realities of the contemporary world. Contemporary developments and the great social revolutions and innovating changes going on in this period are coming more and more to the attention of the historical researchers, who are studying their roots, previous manifestations and further evolution.

The reports and comments in the course of the discussion in the above-mentioned section included Southeast Europe, taking up among other things Bogomilism with its social significance and the great social movements under feudalism on Romanian soil (the Bobilna uprising of 1437-1438 and the peasant war in 1514). The discussion in the International Commission for the History of Social Movements and Structures concerned the problems of the period of transition to capitalism and of the effects of the "first industrialization" upon the collective attitudes and especially those of the rural population.

MIRCEA PETRESCU-DIMBOVITA: The International Congress on Historical Sciences in Stuttgart as well as the preceding ones treated some questions of ancient history and archeology on a high scientific and theoretical level. Three of them were vital questions that particularly interested the specialists in the field. The first, which we have already mentioned, concerns the relationship between history and archeology, the second is about the role of the urban phenomenon in the formation of the ancient civilizations, and the third is on the role of the state and religion in ancient societies. In addition two more questions were discussed along with others concerning the Middle Ages, one of them about mountains, rivers, deserts and forests as barriers or lines of convergence and the other about the Balkans between the Mediterranean and Central Europe, as well as a roundtable on the subject of "Ecology, the Natural Sciences and the Human Sciences."

As for the question of the role of the urban phenomenon in the formation of the ancient civilizations, some reports discussed the transition, in the period when the ancient civilizations arose, from agricultural communities to urban life as a process also reflected in the changes brought about by socioeconomic, political, ideological and cultural development or in the stratification of society into "classes." At the same time the question of the transition from preurban to protourban societies in Southeast Europe was also brought up for discussion.

Regarding ancient history, the place and role in history of the Carpathian Mountains in Romania and those of the mountains on the territories of Sparta and the Greek city-states in mountainous areas as contrasted with the ones on lowlands were brought out, as well as the role of some navigable rivers in Gaul in urban development. In addition to these there were reports on the Mycenaean period before the founding of the Greek colonies and on Mediterranean influences in the Balkan region via the Greek colonies on the Black Sea, which reports concern the ancient history of Romania.

And finally, the roundtable discussions of ecology and the natural and human sciences revealed the importance of using the data of the natural sciences, especially palynology, to understand the connection between the physical environment and human societies in the Stone Age, as well as the practical implications of these studies if the ecological laws determined to have operated in the past

are applied in certain contemporary cases. The important results of the multidisciplinary investigation of the Upper Paleolithic site at Pincevant in France were also described on this occasion, as well as that of the settlements of the Cucuteni culture in Romania, according to the paleobotanic, paleozoological, paleoanthropological, spectrographic and physiochemical determinations.

MIHAIL E. IONESCU: The proceedings of the International Commission for Comparative Military History, a scientific body affiliated with the historians' Stuttgart Congress, were held at that high scientific forum. Under the heading "New Studies in the History of World War I," representatives of the 36 national commissions for military history described, in a spirit of scientific discussion and mutual respect for the opinions expressed, the state of their own studies of the military and political developments in the conflagration of 1914-1918.

The report of the chairman of the Romanian Commission for Military History, entitled "The Romanian Command's Relations with the Allied Commands During World War I," treated in the context of the general subject matter a subject of wide interest that attracted the attention of the 200 and more participants (military historians, university professors, researchers and students) representing countries on five continents. An article published in the STUTTGARTER ZEITUNG, the local daily, 2 days after the support session, pointing out that the Romanian representative's study was of "current practical usefulness resulting from a more protracted historiographical investigation of Romania's role in World War I" bore eloquent witness to the interest aroused by the Romanian report. In view of this scientific colloquium the Romanian Commission for Military History prepared some papers for printing concerning Romania's participation in World War I, the formation of the unified Romanian national state by the free will of the entire people in 1918, etc. When distributed to the participants these papers (six titles in about 600 copies) enjoyed a good reception, and it seemed highly advisable to disseminate them internationally in the subject scientific circles. And as it has already been noted here, it became clear from the discussions of this colloquium and from those of the whole International Congress on Historical Sciences that the widest possible circle of foreign scientists are making an increasingly consistent effort to know the Romanians' history and the place and role of the Romanian people in world history.

It came out in the course of the proceedings of the colloquium on military history that the researchers in that specialized field of historical science are engaged, as it has been indicated here, in an accelerated process of transcending the old treatment, summed up in the formula "battle history," and committing themselves more and more consistently to the policy of integrating the military phenomena and events in economic and social-political affairs as a whole. The military historians' effort to use a more diversified set of tools for scientific investigation was brought out in the same context, with emphasis upon the need of a multidisciplinary approach to the subjects and of an effort to learn some useful lessons for the present and future. The conclusion from the whole discussion of the present state of historical research on World War I was significant in that respect, namely that every effort must be made to put a permanent end to the 'era of world wars' that was opened in 1914 and to avoid the catastrophe initiated for Europe and the whole world by World War I and continued by World War II."

MIRCEA PETRESCU-DIMBOVITA: The discussion of some major questions of world history and methodology that concern ancient Romanian history to some extent, as indicated by the comments of the Romanian historians and archeologists, constituted a useful exchange of views that helped to create a climate favorable to rapprochement among the specialists from various countries of the world who were attending this world congress of historians.

Romania was represented in the discussion of questions of ancient history and archeology by 11 specialists from Bucharest, Iasi and Cluj-Napoca. Romania was assigned to chairing the section on "Chronology: Ancient Times and the Middle Ages," one of its representatives conducting the discussions arranged by the International Association of Southeast European Studies on the subject of "The Balkans Between the Mediterranean and Central Europe." In their turn other Romanian historians and archeologists made supplementary and qualifying comments bringing out some of the important accomplishments of Romanian historiography in this field.

STEFAN STEFANESCU: As it has been mentioned here, "Mountains, Rivers, Deserts and Forests: Barriers or Lines of Convergence?" was one of the main topics of the section on "Chronology: Ancient Times and the Middle Ages." A Romanian joint report on "The Historical Role of the Romanian Carpathians" was also scheduled on this subject by the International Committee on Historical Sciences. It was a good occasion to make known the findings of the studies made by the Romanian school of geography, distinguished by such names as S. Mehedinti, G. Valsan and Victor Tufescu and also by more recent geographers as well as historians like D. Onciul or N. Iorga, who wrote special works on this subject. Proceeding from the idea that a country's physical structure partly governs its history and that the soil is the "theater of action," it was pointed out that the course of the Romanians' history reveals the role as a constant spur to unification that has been and is played by the Carpathian-Black Sea-Danubian region by virtue of its basic characteristics and structure.

The early emergence of the Geto-Dacian people or rather their formation as a separate people in the great mass of Thracians took place in this region, which favored a more rapid socioeconomic development with a centripetal thrust toward the Carpathians. The Geto-Dacian state formed early there under Burebista, a rival of Caesar's, and the Geto-Dacian civilization flourished under King Decebal, who placed the capital in the Carpathian Mountains, his lines of defensive strength lying at the Black Sea, along the Danube and in the Carpathians. Romanized Dacia was formed in the area of the former Dacia, a fortress-state par excellence.

The Romanian people were formed in the same Carpathian area of Dacia. The migrant populations were resisted primarily in the Carpathians, which by that time had become the best of natural strongholds. The migrant populations were dispersed every time at the Carpathians. They sometimes penetrated certain parts of the latter into the interior, but they were assimilated in a relatively short time.

The first Romanian state organizations (voievodates) were formed in river basins and depressions, but always with their backs to the Carpathians. Moreover each of them showed a tendency to unite into larger and larger units, which is what was accomplished in the case of the Romanian lands, namely Transylvania, Moldavia and Wallachia, supported by the Carpathians.

The three Romanian lands' tendencies to unite into a single state were apparent throughout the Middle Ages and in the modern period, taking different forms of varying intensity from one period to the next depending on the historical circumstances. They appeared in economic and political ties, similar laws and movement of flocks and were reflected in a striking linguistic unity.

Of course the formation of the unified Romanian national state in 1918 was the culmination of a long Carpathian state continuity on the territory of the former Dacia. Neither the Romanian people nor the Romanian state would have existed without the Carpathians.

Because of their many functions, all that was more significant in Romanian history was concentrated in the Carpathians and the surrounding areas. The population was the most dense, most stable and most homogeneous there. There more than anywhere the inhabitants, endowed with a high sense of freedom, preserved their awareness of belonging to a higher civilization, the Daco-Roman one. The most and, in some historical periods, the most important urban settlements arose and developed there. The formation of the independent Romanian states began there. The nucleus of the Romanian people's resistance to foreign aggressions was there. There the torch of culture was lit and raised that lighted the Romanian's path and strengthened their awareness.

VIRGIL CANDEA: The subjects of the Romanian reports and papers were chosen so as to bring out the Romanian people's role over the years on the regional, continental or world level. Moreover it was clear from the proceedings of the congress that no historical period in Central, Eastern or Southeast Europe can be studied without frequent references to the Romanian people's history or to the Romanian historians' contributions. I think that explains the foreign delegates' interest in the questions of Romanian history that were discussed at the congress.

I should like to stress the fact that this interest is encouraged by an attitude (and also a quality) of the Romanian researcher, namely his predisposition for dialogue. Apparent at all the international meetings, it is one of the components of the "Bucharest spirit" and of the relaxed, comradely atmosphere essential to exchange of information and ideas among scientists. This attitude does not exclude firmness in defending one's own theories and in rejecting inaccuracies or misinterpretations and it can have vital consequences for the historian's sense of obligation. An international congress is not to be considered a mere occasion to present national history before a foreign audience. The success of meetings of this kind depends upon observance of certain standards, upon the ability to maintain the discussions on a high scientific level and upon wide interest. I think the Romanian historians did their duty in this respect by presenting reports or contributing comments that brought out the Romanian people's place in world history, as we said before, and also helped their colleagues from other countries to better understand points in their own people's history.

STEFAN STEFANESCU: Questions of Romanian history came up several times in the section on "Affiliated International Bodies." For the International Association for Southeast European Studies, on the major subject of "Society, National Awareness, and the States in the Balkans (18th-19th Centuries)," Prof Georges Castellan of Paris read a report entitled "Historical Romanticism: One of the Sources of the Balkan States' Ideology in the 19-20th Centuries," illustrating

his views with three models, Serbian, Romanian and Albanian. To be sure the French professor's effort to familiarize himself with Romanian history is laudable, but his report displayed an inadequate knowledge of the historical sources and the progress of current Romanian historiography in the subject treated. In speaking of the effort to determine the origins of the peoples as one of the characteristics of historical romanticism, G. Castellan gives the Italian humanists the credit for discovering the Romanian people's Latin origin and disseminating that theory in Europe. The Romanian scholars replied to the French historian that an excellent Romanian study published in French 20 years ago, "Romanians and Awareness of Their Roman Origin" as well as the monograph "The Romanians' Roman Origin. The History of an Idea" also published in French, and both accordingly accessible to the said historian, demonstrated the indigenous tradition in accordance with the humanists' theories. Moreover when the Frenchman Pierre Lescolopier visited the Romanian lands in 1574 he noted that their inhabitants "consider themselves true descendants of the Romans and call their language Romanian, that is Romana." The Romanian humanists and chroniclers, who knew the writings of the European humanists, lent an erudite foundation in keeping with the knowledge at their time to the ancestral awareness of the Roman origin, which the Transylvanian School made a weapon in the 18th century for the struggle for social and national emancipation.

Furthermore Georges Castellan denied the existence of awareness of kinship as an element of the task of uniting the Romanian lands under Michael the Brave, maintaining that the Romanian prince's policy was that of "a Renaissance prince wishing to unite all possible crowns under his sceptre, like his contemporaries the Bathorys, who had tried to unite the thrones of Transylvania and Poland." The French historian wrongly stated that "The Romanians' presence in the three principalities facilitated their ephemeral union in some respects, but it was not the cause of that action. The social status of the Romanians in Transylvania, aggravated in fact by Michael the Brave, militated against any union in depth."

The Romanian historians demonstrated in their comments, by citing the contemporary historical sources on Michael the Brave, that the political unification of the Romanian lands reflected an objective requirement of the time, based on the necessity of forming a strong anti-Ottoman front. It was facilitated by the economic, political and cultural relations among the three lands, by awareness of the common origin, and by the fact that in ancient times Wallachia, Moldavia and Transylvania had formed the single ethnic-geographic unit of Dacia. It was no accident that of all the political projects open to the Romanian prince he chose the "Dacian" plan to reconstitute Dacia in Romanian form, being a true "restorer of Dacia."

Due to the awareness of unity of kinship, Michael the Brave's victory at Selimbar and his triumphal entry into Alba Iulia provoked strong actions of solidarity of the Romanian population in Transylvania with his army, facilitating the union of the province across the mountains with Wallachia. In Moldavia, the third Romanian land, Michael met with practically no resistance at all because, the sources recorded, "The Moldavians rebelled and turned their weapons against Ieremia Movila in support of Michael."

Michael the Brave's political undertaking became a landmark on the road to forming the modern unified Romanian state, and the hero of Calugareni became a symbol of the Romanians' aspirations to national unity.



Nor did the said French historian's conclusion that the Romanians in Transylvania did not militate in the 19th century for the ideal of national unity correspond to the historical truth. On the contrary the historical facts and documents demonstrate that the Transylvanian Romanians' struggle for national unity involved several stages and tactical formulas but all in direct contact with the Romanians to the south and east of the Carpathians and ultimately aimed at state unity.

ION ARDELEANU: In the last analysis the Stuttgart Congress emphasized the problems of contemporary history, as it has been said here, even though it took up many aspects of ancient, medieval and modern history. Meanwhile a greater interest was taken in the history, development and prospects of the nations. Accordingly the historians from Bulgaria, Hungary and other nations read reports and papers on the historical evolution of the nations or national minorities.

In the discussion of these questions some historians distorted the social-political facts and made inappropriate assertions about the position of some national minorities in Southeast European countries. For instance they tried to establish that the Romanian state became a multinational state after 1918 promoting a policy of denationalization. But for the sake of the truth and scientific objectivity the Romanian historians stressed the plebiscitary nature of the Romanian people's effort to form their unified national state, a process concluded in the memorable year of 1918, and the uniform national characteristics of Romania after the Great Unification. They also pointed out the rights and freedoms enjoyed by Romanian citizens of all nationalities even under the bourgeois democracy.

The Romanian delegates to the congress also pointed out that thanks to the RCP's correct policy the minorities problem has been solved in socialist Romania and that the unified Romanian state guarantees and assures all citizens the broadest rights and freedoms, namely the right to work, education, culture and science and the right to an active and direct part in socioeconomic and all social management while all the nation's sons enjoy the same rights and obligations.

VASILE CRISTIAN: The spirit of close cooperation among the delegates was one of the notable facts of the proceedings of the Stuttgart Congress, and it has been repeatedly pointed out. Of course a historiographical discussion and especially one of such proportions cannot mean a unanimous expression of ideas. Naturally there were many differences of opinion on both major questions and details. But the essential fact is that most of them were due to different interpretations or methods and to the specialists' different sources of information.

Unfortunately forced interpretations and erroneous, tendentious judgments contrary to historical reality and truth were not entirely absent. For example, such distortions appeared concerning the history of the Romanian people in connection with some important questions like the roles of the various peoples in cultural development and the adoption of Christianity in Southeast Europe, medieval Transylvania, the positions of the various nationalities in Romania in various historical periods, the stage of Romania's socioeconomic development at the start of the 20th century, Romania's participation in World War I, the nature of the system of Paris peace treaties in 1919-1920, Romania's contribution to the defeat of Nazi Germany in World War II, etc.

The Romanian historians at the congress took an attitude in the spirit of historical truth toward the interpretations and theories contrary to the historical facts and revealed their falsity and scientific inconsistency rationally, on the basis of the facts and the most recent documentary data.

MIHAIL E. IONESCU: Resistance to fascism, Nazism and Japanese militarism was one of the major subjects discussed at the 16th International Congress of Historical Sciences. The discussion of the subject was occasioned by celebration of the 40th anniversary of the victory won by the anti-Hitlerite forces in World War II, and it indicated the present state of its international investigation, the new directions of investigation, and the noteworthy findings. The major conclusion was drawn that the essence of the antifascist resistance was defense of the basic human rights against the forces of enslavement, racism and totalitarianism. It was also emphatically pointed out that humanity cannot be saved from the dangers that threaten it today and especially the danger of a nuclear catastrophe without strengthening international cooperation among all states of the world regardless of differences in social systems, way of life, culture, ideology or religious beliefs.

The comments of the Romanian historians, who pointed out the active role of Romania and its people in the antifascist struggle on the eve and in the years of World War II, were noteworthy in this discussion. They brought out the extensive antifascist movement in Romania in the 1930's in this connection, as well as the positive role of the Romanian diplomatic initiatives in the period preceding the World War, which were aimed at construction and consolidation of a collective security system and blocking the fascist and revisionist states' aggressions. The great demonstration of 1 May 1939 in Bucharest, in the organization and conduct of which the young revolutionary militant Nicolae Ceausescu played a telling part, was pointed out as an indication of the strength of the Romanian nation's antifascist and antiwar spirit.

The Romanian historians' comments effectively illustrated the major role of the Antifascist and Anti-Imperialist Revolution for Social and National Emancipation opened on 23 August 1944 in World War II and Romania's noteworthy contribution to the final victory over fascism. They stressed the fact that the Romanian people were staunch and implacable enemies of fascism and Nazism, that they made hard sacrifices to defeat fascism and Hitlerite Germany, and that in defending their own freedom and independence they thereby aided other peoples' fight for liberation.

ION ARDELEANU: The problems of World War II, the causes of its outbreak, the evolution of relations among the belligerent forces, and especially the peoples' struggle to defeat Hitlerism and Japanese militarism were emphasized in the discussions on the subjects of "The New Aspects of Diplomacy Since 1914: Structures, Preservation of Peace and Techniques" and "Resistance to Fascism, Nazism and Japanese Militarism" and in the sessions of the International Committee on the History of World War II as well.

I would note that in this connection some historians tried to establish the false theory that the "reactionary governments" of some small and medium states in Central and East Europe that did not conform to the proposals of some great powers to intervene against Hitlerism were "guilty" of starting World War II.

The Romanian as well as other historians described Romania's policy in the period between the wars and the state of political isolation in which the Romanian state was after the pacts and accords were concluded among the great powers. The invasion of some states, shifting of the boundaries of some of them on the pretext of "necessities of defense" and the "arguments" that were used in discussions cannot be supported from any viewpoint, logical, political or scientific. Some foreign historians, without any scientific arguments or any proofs, tried to establish the image of a "warlike" Romania, prepared for a long time and in many respects to attack its neighbors and seize their territories. In rejecting such assertions, the Romanian historians described the heroic struggle of the revolutionary, democratic and patriotic forces and of the entire people under the RCP's leadership against the danger of fascism and war, a struggle that culminated in the Antifascist and Anti-Imperialist Revolution for Social and National Liberation opened on 23 August 1944 and shortened World War II by more than 200 days.

An outstanding impression was made by the unquestionable facts, data and evidence presented in demonstrating the fact that Romania made an invaluable human and material contribution to the defeat of fascism. It was pointed out here that the Romanian Army, with a complement of about 540,000 troops, aided the Soviet Army for about 9 months after the historic act of 23 August 1944 in liberating the rest of the nation's territory occupied by the fascist-Horthyite troops as well as the territory of Hungary, Czechoslovakia and a part of Austria. Meanwhile the Romanian Army fought over a distance of more than 1,600 km, defeated the enemy defenses organized in 20 mountain massifs, forced crossings of 12 large water-courses, liberated 3,831 localities, and caused the enemy losses in men (136,529 dead and prisoners). The Romanian troops lost 169,822 men. For their outstanding feats of arms the Romanian troops were awarded seven citations of the Soviet Supreme Command and cited in 21 Soviet war communiques, while 300,000 Romanian soldiers, non-coms and officers were decorated with Romanian, Soviet, Czechoslovakian and Hungarian orders and medals.

STEFAN STEFANESCU: In the course of the roundtable on "Historians and the Problems of Safeguarding Peace," in connection with the report "The Historian's Responsibility in the Nuclear Age," the Romanian researchers brought up "Nicolae Ceausescu's Message to the Delegates to the 15th International Congress on Historical Sciences in Bucharest," wherein he stressed the idea that it is the historians' mission in our times to derive lessons from their study of historical facts and events that will encourage the peoples' efforts to solve the far-reaching problems of this period in the spirit of peace and collaboration. The president of socialist Romania said, "Under the present highly complex international conditions the historians' highest duty and responsibility is while studying social development and historical events to draw upon the vast treasury of experience acquired over the millennia and enrich present and future activity with lessons and conclusions for the peoples' progress on the path of civilization and for the peace and progress of all mankind."

In speaking of the activity of the Romanian National Committee on "Scientists and Peace," the chairman of which is Academician Dr Eng Elena Ceausescu, the Romanian historians emphasized the idea that peace is primarily a cultural phenomenon. The poison of wars originates in a false culture, and if we really wish to establish a climate of peace and security in the world, the ideal of the peoples everywhere, we must act upon the source of the poison.

As a scientist and scholar with an important role in forming a new mode of thought for people and especially for youth, the historian should bring out the truths that serve the times and their vital aspirations. Seen as a single whole, history brings out both the strong assertion of national interests and the accentuation of the nations' interdependence, what each nation has received from the others and what it has given to the treasury of world culture, and the peoples' aspiration to close collaboration among them in the name of peace and progress.

While history should strengthen confidence in the future, stress the importance of solidarity in social progress, and indoctrinate the young generations in the spirit of collaboration with other peoples and respect for all races and nations, the means to that end are correct information of the masses and the obligation to respect historical truth, to exclude any distortion of reality, and to present the actual facts on the basis of critically analyzed historical documents. It is the duty of the historian worthy of the name to try to eradicate any ideas or attitudes that can perpetuate misunderstandings among peoples and bar the way to collaboration and peace in the world.

The lessons of history strengthen the conviction that the great ideas of international law, the nations' independence and free development of the states will win out despite any obstacles.

RAZVAN TEODORESCU: Among the lessons of the recent congress, one seems particularly noteworthy to me, namely the need of multiplying Romanian studies of European and world history. While having their say primarily of course on matters of national history, the Romanian historians are increasingly expected to participate knowledgeably in the discussion of some aspects of world history. But it seems to me that in this field there is some lag behind the standards and sure achievements of the generation that taught us. In order to meet the new standards of historical research and to carry on the fine heritage left by those who actually inaugurated studies like "The Romanians' Place in World History," it is our duty to study European and world history in greater depth, illustrating it with Romanian examples whenever needed (And it would be just as well if they are needed as often as possible, in order to call more and more such examples to international attention as so many "test cases" of continental and world history). When we investigate Romania's own history that way, in a broader context, the conclusions will be more convincing and the "gain" will be twofold, both intensified knowledge of Romania's own history through understanding of its particular contribution, and coherent, credible and exemplary placement of the same national history in the broader context (European and worldwide) in which it occurred.

STEFAN STEFANESCU: I would also point out here that I think the conclusions drawn from the proceedings of the Stuttgart Congress also obligate us to make a regular effort to renovate the methodology of historical research with more emphasis upon interdisciplinary treatment of the problems from a broad, worldwide viewpoint. Current Romanian historiography, an heir to some productive traditions in the study of world history, is certainly called upon, as it was said here, to do more in that direction so that a sustained creative effort and constant contact with the international scientific movement will enable it to advance Romanian historiography in a more pronounced way as a part of world historiography, thereby meeting the requirement for the further enhancement of socialist Romania's prestige in the world more effectively.

POLITICS

ROMANIA

BRIEFS

PRESIDENTIAL APPOINTMENTS--The president of the Socialist Republic of Romania decrees that the following comrades are appointed deputy ministers of the Ministry of the Food Industry and the Purchasing of Agricultural Products: Marin Capisizu, Aurel Antoniu, and Stan Tirlea. The following comrades are appointed state secretaries in the Ministry of the Food Industry and the Purchasing of Agricultural Products. [Excerpts] [Bucharest BULETINUL OFICIAL in Romanian Part I No 72, 21 Dec 85 p 4] /8918

AGRICULTURAL PERSONNEL CHANGE--The president of the Socialist Republic of Romania decrees that Comrade Teodor Roman is relieved of his position as minister state secretary, head of the Department for Contracting, Purchasing and Storing Agricultural Products. [Excerpts] [Bucharest BULETINUL OFICIAL in Romanian Part I No 72, 21 Dec 85 p 5] /8918

MINISTRY OF AGRICULTURE APPOINTMENTS--The president of the Socialist Republic of Romania decrees that Comrade Gheorghe David is appointed minister of agriculture. Comrade Florea Gruia is appointed minister state secretary in the Ministry of Agriculture, head of the Department for State Agriculture. Comrade Ferdinand Nagy is appointed minister state secretary in the Ministry of Agriculture. The following comrades are appointed deputy ministers of agriculture: Adelina Popescu, Ion Davidoiu, and Neculai Mantz. The following comrades are appointed state secretaries in the Ministry of Agriculture: Mihai Arghir and Costica Leu. [Excerpts] [Bucharest BULETINUL OFICIAL in Romanian Part I No 72, 21 Dec 85 p 5] /8918

RELEASE OF AGRICULTURAL OFFICIALS--The president of the Socialist Republic of Romania decrees that the following comrades are relieved of their positions as deputy ministers of agriculture and the food industry: Matei Georgescu, Gheorghe Glaman, Emil Petrache, and Ion Zipis. The following comrades are relieved of their positions as state secretaries in the Ministry of Agriculture and the Food Industry: Petre Leca, Aurel Popa, and Ioan Oancea. [Excerpts] [Bucharest BULETINUL OFICIAL in Romanian Part I No 72, 21 Dec 85 p 5] /8918

CSO: 2700/61

SCIENCE AND TECHNOLOGY

YUGOSLAVIA

GENETIC ENGINEERING, BIOTECHNOLOGY PLANS IN SERBIA

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 18 Dec 85 p 12

[Text] The Council of the Community for Mutual Cooperation in Planning and Business Operation of Organizations in the Field of Genetic Engineering, at a meeting held in the Economic Chamber of Serbia, supported the proposed version of a project for chemical-engineering research for development of new biotechnical processes based on the results of genetic engineering which have been drafted by the School of Technology and Metallurgy at Belgrade University.

This research, which would be carried out over the next 5 years, has a number of technological and strategic objectives. The development of new biocatalysts, several new types of bioreactors, specific methods and devices for separation of the products of biological processes, and then development of instruments for controlling bioprocesses, and the development of fundamental chemical-engineering knowledge to design those processes, that is, would make it possible for Yugoslavia to develop in this new scientific field side by side with the most advanced countries of the world.

The beneficiaries of this project, whose ultimate aim is for advances, side by side with the development of theoretical knowledge in the field of genetic engineering, to pass from the phase of laboratory tests into industry and later exports as well, are the chemical, food manufacturing, and pharmaceutical industries, and then agriculture, machinebuilding, and the electronics industry.

The specialist that would carry out this program, so we were told, would be hired by the proponent, and the total funds necessary to carry out the project over the next medium-term period would be 216 million dinars, one-seventh of which would have to be provided in dollars to purchase the necessary imported equipment. This project would at the same time represent the first point of departure for joint planning within the community.

7045

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SCIENCE AND TECHNOLOGY

YUGOSLAVIA

SERBIAN LAG IN COMPUTER TECHNOLOGY DISCUSSED

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 19 Dec 85 pp 1, 4

[Interview with Dusko Vitas, asistent, Institute of Mathematics, by Camila Kulinovic; "Computer Science Between the Needs and the Possibilities"; date and place not given]

[Text] Even today computer science has not been instituted as a separate science in Serbia, but the research and education are conducted under the wing of mathematics and the engineering sciences.

Over the last 5 or 6 years computers have evoked widely varying and indeed even directly opposed attitudes. For a time computers were written about with great mistrust and resistance. Often even the word computer in titles could be replaced by the word enemy and the title would still make sense. Our news-woman Camila Kulinovic spoke about what the situation is at present in Serbia with respect to computers--hardware and software, with Dusko Vitas, asistent at the Institute of Mathematics.

[Question] How would you assess the extent to which the data processing technologies have become part of our economic and social life, in Serbia in particular?

[Answer] The principal characteristic, at least as far as Serbia is concerned, would be a great lag behind the highly and moderately developed countries of the world. The causes of this situation are the absence of any well-thought-out and long-term national policy in the field of computers. Even today computer science has not been instituted as a separate science, at least not in Serbia; research and education in this field are conducted under the wing of mathematics and the engineering sciences, especially electronics. Consequently there is no professional association of information scientists either.

On the basis of an analysis of the status and conditions for construction and development of information systems based on the use of computers, up until the beginning of 1984 in Serbia there were 302 computers and 234 automatic data processing departments. Those departments employed nearly 6,000 workers, 1,338 of whom have junior postsecondary specialized training. The computers operate about 710,000 hours a year, but three-fourths of that time is lost in routine processing. According to the same analysis, the total value of computer hardware in Serbia is 4,482 million dinars, while the value of software purchased

and leased is 78 million dinars. These figures in the analysis, which was done by the Serbian Republic Committee for Science and Data Processing, are judged to be disturbing and are reinforced still more by the fact that they show that at the average computer installation there are four specialists with senior postsecondary specialized training and that the average installation operates 220 11-hour days a year. The datum that the volume of software purchased or leased is only a negligible 1.75 percent can even be considered dramatic.

[Question] Does that obvious gap between the machines and their capacity and the knowledge which can make use of them, the relationship between hardware and software, indicate that even those machines which we have are underutilized and that they are not being used in the way that would yield real results?

[Answer] It is obvious that in Serbia there is a serious imbalance between investors in computer equipment and our own software production--the average installation has only four staff members with senior postsecondary specialized training--while as a rule they ought to be writing software. However, this is barely enough to supervise the operation and provide system support to the computer.

In addition, the number of unused hours (about 2 million hours a year) represents a sizable burden, since the principal operating expenses of a computer system--depreciation and maintenance--do not usually depend on the system's operating time. In other words, if it operates, say, 3 hours out of a possible 10, the costs are the same. That makes computer use extremely expensive. Increasing the total number of persons employed in automatic data processing departments would tend to improve capacity utilization and possibly aid software production as well. This kind of commitment would undoubtedly lead toward an authentic involvement of computers in the country's business life.

Perhaps the importance of the correct commitment can be illustrated with figures to the effect that back in 1973 the number of persons in the U.S. software industry was estimated at 370,000, and the total annual value of this output was \$10 billion. In addition, and this is especially cautionary as to our own situation, the ratio of software investments to hardware investments is approximately 2:1 or even higher for large government institutions.

[Question] It seems the problem for us in Serbia is above all how to buy "food" so that the machines might be better used. It seems that what we are feeding them is mainly imported or leased.

[Answer] The aim of the new technologies in computer science is to make it possible to increase the productivity of present personnel. In this way software production not only takes priority over hardware, but becomes an essential component in economic development. These ratios are a consequence of the need for economical operation of computer systems, which depend most directly on the adequacy of their software. Yet it should not be forgotten that there are several levels in providing a computer with software: beginning with the operating system and going all the way to the intended specific application.



With precisely this in mind the specialists who are now in automatic data processing departments in Serbia are barely able to install and maintain the existing application packages. That is, there is no room for the development of those packages or of system software.

[Question] It is worth recalling that at the moment, for example, development of the OS/360 operating system has cost about \$200 million and that at this moment software systems of this kind cannot be reproduced by the present personnel potential. Does this mean, Comrade Vitas, that no one in Serbia is working on software development?

[Answer] That would not be true. The organizations doing this are, to be sure, few in number, but they do exist. However, they are working on the principle of delivering custom software, so that the already inadequate production capacities are not being optimally utilized. The fact that we do not have a market for this specific commodity also has a bearing here. Further, because of insufficient communication with other computer environments in the country and outside, certain software packages arrive very late if ever. For example, the programming language Pascal was defined in 1969, but it was installed in Belgrade for the first time 10 years go.

[Question] What in your opinion is the cause of this sluggish flow of information in the domain of information science?

[Answer] It can be attributed above all to the relations which have developed over the last decade in the domestic computer industry. The commitment to domestic computers under license has its justification over the long run, since conditions are brought about in this way for maintenance regardless of the foreign trading partner. However, this has not resolved other key questions concerning the technological superstructure of the licenses obtained and creation of conditions for domestic software production. In other words, domestic producers have by and large remained inert middlemen for licensed technologies.

7045

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SCIENCE AND TECHNOLOGY

YUGOSLAVIA

#### ATTEMPTS TO ORGANIZE COMPUTER RESEARCH, PRODUCTION IN SERBIA

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 19 Dec 85 p 4

[Text] Computer science has not yet been instituted as a separate science, so that the present method of financing in this field divides up the research potential, which in any case is modest, among several uncoordinated projects in the fields of mathematics, the natural sciences, and the engineering sciences. To make matters worse, the present mechanism has defined objectives in varying ways and the results of research in computer science are given varying treatment. For example, the development of an expert center for the field of chemistry presupposes bringing together the theoretical mathematical aspect, the information aspect, and the engineering aspect on a single project. But in the present division of the science it is unclear whether the theoretical part should be financed with resources for the engineering sciences, and the engineering part with money for the natural sciences. In essence it would be good to establish a way of financing computer science as an independent science using the computer, but essentially tied to mathematics.

The need for a functional linkage between scientific research institutes and the School of Natural Sciences and Mathematics makes it imperative to achieve this goal as soon as possible and to guarantee higher-quality research work and instruction so that the scientists, the equipment and the resources are used jointly, that is, to overcome the fragmentation, lack of linkage, program duplication, and insufficient matching to the needs of social development and development of science.

The School of Natural Sciences and Mathematics, as the highest teaching and scientific institution for the study and development of the natural sciences in Serbia, does not have its own computer center nor has it had one in the 4 decades of its existence, and indeed it does not even have the conditions necessary for use of computers.

To back up this assertion we might portray the situation of chemistry at the School of Natural Sciences and Mathematics. The same applies to physics and biology. The position is taken, that is, and this has been confirmed by numerous analyses in the world, that chemistry--along with physics--is one of the fundamental sciences which have the greatest needs for computers, although in university computer centers it has traditionally been the largest consumer of computer resources. Artificial intelligence, molecular dynamics, molecular

graphics, and analysis of chemical systems by the methods of quantum chemistry--cannot be imagined without the use of computers.

Institutes which gravitate in their activity toward the School of Natural Sciences and Mathematics also have not solved the problem of the accessibility of a computer for scientific research, so that they satisfy their needs with the computer in the Institute of Mathematics.

Last April several institutions: the School of Natural Sciences and Mathematics, the Institute of Mathematics, the School of Forestry, the Institute for Physics, the Institute of the Engineering Sciences of the Serbian Academy of Sciences and Arts, and the Yugoslav Center for Scientific and Technical Documentation--under pressure from the difficult situation and after a comprehensive analysis of needs and possibilities came to the conclusion that they would have to pool their resources and buy a high-performance computer in a class such as represented by the IBM 43-XX series. A joint proposal has been sent to the republic community for science and the idea and advantages of this concept have been argued in detail.

#### Strengthening the Existing Hardware as the Best Solution

The Serbian Republic Bureau for Statistics turned out to be the institution which made it possible to realize the conception of linkage, along with a further strengthening of the potential of their computer center.

The Republic Bureau has an up-to-date high-performance computer which, with appropriate expansions, could entirely satisfy the needs of the School of Natural Sciences and Mathematics and those institutions which gravitate toward it, and in the quite near future a major portion of Belgrade University as well. The second reason for this kind of choice is the fact that the bureau's center has exceptional specialists and an excellent internal organization, the kind that a university computer center needs. It is especially important that the bureau supports the conception of raising the level of scientific research and education with the help of computers and in the context of the conception concerning development of computer science in Serbia.

#### An Incentive for Mutual Advancement

Toward the end of last year, as a result of joint efforts, the Serbian Republic Bureau for Statistics and the School of Natural Sciences and Mathematics of Belgrade University concluded a self-management accord on long-term business collaboration. The accord provided that the computer resources of the bureau would be used for scientific research and education without specific money compensation. This has opened up broad opportunities for carrying out the concept of integration in the field of computers.

The self-management accord is open to all other research and higher educational institutions under the same conditions. This openness of the accord to the gathering of university schools and institutes around this concept provides the most eloquent evidence of the indispensable need for integration and its importance in the field of computer science for research communities in Serbia.

Creation of the conditions for development of computer science at the School of Natural Sciences and Mathematics, thanks to the accord, signifies at the same time a bolstering of personnel in the Serbian Republic Bureau for Statistics, for which the School of Natural Sciences and Mathematics has now become the traditional source of specialists.

The training of university students from the collaborating institutions, especially students from the School of Natural Sciences and Mathematics, will develop more competent teaching personnel, who will be able to take over the complicated job of introducing computers into instruction at all levels of elementary and secondary education. In the judgment of the institutions joining in the accord, incidentally, this is the only possible way of achieving computer literacy at the broadest level of the community.

The proposed concept should make it possible to develop domestic software production as the basis of the domestic computer industry. It should be recalled that the results of mathematical and computer research constitute the basis of this kind of production, and the contribution of mathematics in formulating any computer problem is an essential one.

Finally, the proposal of the Institute of Mathematics, defined in an agreement with all interested participants, covers several lines of research: the theoretical aspect of computers and information science, artificial intelligence and applications, computer application, use of computers in basic research in education, and computational linguistics. The theoretical aspects of computer and information science will also include the logical and mathematical foundations of computer science, the theory of programming languages, operating systems, information systems and data bases, and finally, the development of software engineering.

One can conclude, then, that the stagnation and degradation of computer science represent a period which is now behind science, that this branch of science is on the way to emerging from the background in Yugoslavia and the world.

7045

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SCIENCE AND TECHNOLOGY

YUGOSLAVIA

BRITISH COMPUTER SYSTEM IN YUGOSLAV RETAIL STORES

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 19 Dec 85 p 4

[Text] The basic organization of associated labor for foreign representation of "Mladost" in Zagreb represents many foreign firms, but in the field of computer equipment, above all that equipment intended for retail outlets, it collaborates most closely with the British ICL (International Computers, Ltd.) in London. In this firm, which is certainly the strongest European computer manufacturer and especially supplier of information systems intended for retail trade, 7,000 of the entire work force of 25,000 work exclusively on program development, which is indicative of the great competitive capability of this English manufacturer. About 350 ICL cash registers will soon go to some 40 department stores in the "Beograd" department store chain. This will be the first time in Yugoslavia that the bar code system for marking consumer goods (EAN) will be used in the retail network.

"Mladost" of Zagreb has in its sales assortment a wide selection of computer system, from mini systems through micro systems to mainframes. These systems have already been put into operation in about 100 Yugoslav collectives, and with the installation of the electronic cash registers in the "Beograd" department store chain a large system has for all practical purposes been extended throughout the framework of a firm.

That retail system, according to Sanja Barisic, sales representative in the engineering sales department of "Mladost," consists of the register (POS terminal), controller, scanner, and manual bar code reader. The controller is a subsystem in which all data relevant to sales operations are kept on a magnetic medium such as a diskette or disk. The POS terminal, the main register, is connected to that device by a cable or by modem and telephone line if the distance is great. The controller network makes it possible to link several stores into a network, and it facilitates the exchange of information among them and of each of them separately with the central headquarters.

The scanner and bar code reader are connected to the POS terminal. The former is based on the laser principle, and the second on the optical principle of reading codes. They are used to identify the codes of the articles, and then the price and name of the article are read from the price list in the controller, and are then recorded on the register, the POS terminal, and printed on the receipt given the customer.

The same data, Sanja Barisic went on to say, are printed on the paper roll (in the register) from which it is possible at the end of the day to read a report on the types of articles and on sales. The advantage of this system over the conventional register has manifold importance. First of all, better management of sales, since at every moment one can know how much of a particular article is being sold, why sales are slack in particular places, and so on. Up to now it was possible to ascertain this only by monitoring what is happening on the shelves.

This system raises labor productivity and improves personnel management, since manpower is quickly reassigned where there is the highest customer traffic. Moreover, now the salesclerk has much more time and reason to be pleasant to the customer. Operating costs are reduced, turnover of capital is speeded up, and it is a simpler matter to empty stockrooms.

ICL specialists investigated whether the initial investments would pay off. As a rule, says Sanja Barisic, the investment is paid off by 1 year of operation of this system, and the annual saving of the trade sector is by no means insignificant, it amounts to about 1 percent. Among other things ICL specialists have calculated that the price of the expenditures for the equipment and to purchase this kind of system is lower per customer over the 5 years of its functioning than the price which the merchant today pays for the paper bag which he gives to the customer free at the checkout counter.

7045

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SOCIOLOGY

HUNGARY

#### CHARACTERISTICS, STRATIFICATION OF WORKING CLASS DETAILED

Budapest TARSADALMI SZEMLE in Hungarian No 8/9, 1985, pp 24-37

[Article by Ferenc Kovacs: "The Situation and Stratification of the Hungarian Working Class"]

[Text] At the time of the 1960 census, according to up-to-date statistical data, members of the working class already formed the majority (51 percent) of those gainfully employed, and their number grew to a proportion of 56.5 percent by 1970, and 57 percent by 1980. In 1984, 55.7 percent of the gainfully employed, i.e. 2.76 million workers belonged to the working class. In other words, the trend showing a slow decrease in the number and proportion of workers, which had begun at the end of the 1970s, continued in recent years.

The working class also constitutes the majority within the population. 58.8 percent of the households (taking the classification of the head of household as the basis) belonged to the working class in 1980, i.e. more than 60 percent of those living in shared domiciles.

Among the gainfully employed the workers are in the majority in the cities (59.9 percent) and in the towns (58 percent), while in Budapest they are not (49.6 percent).

In 1983, 62 percent of the gainfully employed were men, 38 percent were women; 80 percent of skilled workers were men and 84 percent of those supervising production were men, while a slight majority of women was characteristic among the unskilled workers (56 percent) and semi-skilled workers (52 percent).

In 1983, one and a quarter million skilled, 950,000 semi-skilled, and 470,000 unskilled workers belonged to the working class. (The number of those directly in charge of production was 95,000.) The changes according to basic matrix groups among blue-collar workers belonging to the working class reflects a qualitative improvement in the work force, though wage regulation also played a role in this. The proportion of skilled workers grew from 39 percent in 1970 to 46.4 percent in 1983, while that of unskilled workers decreased from 27 to 17.5 percent.

The changing trend in age composition and educational level also shows favorable changes: in a decade and a half the proportion of the age group 14-29 decreased from 38.6 to 36 percent, the proportion of those over the retirement age from 4 to 2 percent; that of the middle-aged grew from 57.4 to 62 percent. Among the gainfully employed in the working class, the proportion of those who did not complete 8 grades of elementary school was still 41 percent in 1970, while in 1980 it was only 21 percent. The proportion of those who completed secondary education grew from 6.6 to 11.5 percent.

The regrouping of workers among the branches of national economy continued. The chief direction of movement is the tertiary sector; within the industrial branches only those of food and textiles show some numerical increase.

In the 1980s, the migration of work-force became more lively. The proportion of stable work-force, those having continuous employment of at least one year with the same employer, decreased from 84.8 percent in 1983 to 81.1 percent in 1983. (In 1983, the largest proportion of stable work-force could be found in manufacturing industry, 85.1 percent; in the construction industry it was less than this, 77.8 percent, and in the non-material branches it was the smallest, 72.4 percent.) Among the cases of employment severance, the proportion of dismissals by the employer increased from 40 to 44 percent. Obviously, one of the functions of this type of labor-migration is the achievement of higher wages. This is characteristic primarily of agriculture, the manufacturing industry, and the construction trades.

The makeup of the working class according to social origins had changed significantly: the proportion of workers who grew up in workers' families increased. In 1962-1964, 36 percent of the male registered skilled workers, and 37 percent of the females came from worker families, but by 1981 these proportions grew to 52 and 57 percent, respectively. Among the semi-skilled men, the proportion rose from 24 to 36 percent, among the women 34 to 44 percent. The change is even larger in the case of unskilled laborers: in 1962-1964, 19 percent of the men and 29 percent of the women came from a working background, but in 1981 these proportions rose to 38 and 41 percent.

Some data characterizing the working class' opportunities for mobility: In 1962-1964, 25 percent of the male members of the intelligentsia had working class origins, and this proportion rose to 33 percent by 1981; among women the parallel figures are 11.5 and 38.1 percent. Of course, the majority of these proportions is derived from the category of "leaders"; among the non-supervisory groups of intelligentsia, there are fewer people originating from among workers, especially semi-skilled and unskilled workers, (10 percent of men and 12 percent of women.)

These comprehensive data indicate that we can only make very cautious statements concerning the presence of workers who have become the majority of the population, because their internal differentiations remain great and appear to be increasing; and also because in discussing the situation of the workers it is impossible to avoid the national economy, the analysis of which is beyond our limitations.



## Working Class Income

The development of the working class material circumstances is closely related to the economic situation of the country. As is well known, this latter has recently been characterized by a reduced growth in national income, followed around the beginning of the 1980s by a slowdown and a decrease in the consumer consumption.

In the course of one decade, based upon averages, a significant degree of equalization took place in the income of the various basic classes and strata. Equalization occurred within the working class, too: every stratum came closer to the average. Looking at the entire working class, per capita income increased by 51 percent since 1970. During the same period, the real value of incomes as well as other social benefits (perhaps with the exception of child raising allowances) also increased. The growth of incomes could be attributed to the economic upswing characteristic of the early 1970s, which automatically resulted in a certain increase in wages and incomes. At the same time, the influence of central wage-adjustment measures was also evident.

Inequalities within the individual strata are relatively small. In 1972, the lowest 20 percent of the income earners received about 10 percent of the total income earned within their respective strata, while the highest 20 percent earned between 31 and 36 percent. By 1977 this inequality had moderated; the income of the lowest 20 percent in each stratum had increased, while that of the highest 20 percent had been reduced. Looking at both years, the income stratification within the working class is somewhat more evenly distributed than among the total of active earners or among the entire population. The equalization trend continued during the recent years, manifesting itself primarily in the growth of the proportion received by the lower 20 percentile, primarily to the detriment of the middle (third) fifth. On the other hand, the proportion received by the highest paid 20 percent did not decrease between 1977 and 1982.

The above listing refers to the incomes that are statistically measurable. However, it is well known that, due to the re-distribution of incomes among the population, the actual amount of disposable income often differs from the figure shown by statistics. This largely depends on whether or not the earners in the family are employed in fields where "auxiliary incomes connected with one's job" (tips, payola, etc.) are frequent or generally present.

Although in comparing populous categories we may be led to overly general conclusions, it must be noted that the relative deviation between the earnings of blue-collar and white-collar workers have been reduced by 3 percent. This is one manifestation of extreme egalitarianism. At the same time, it must be realized that this is connected to the better labor market position enjoyed by blue-collar workers. For, in the case of most white-collar workers, the demand and supply of labor force is relatively balanced, while in certain blue-collar specialties demand far exceeds supply.

The wages of skilled workers exceed those of unskilled laborers by 45 percent. In the mid 1970s, the difference was 48 percent; thus the equalization trend

made itself felt in this area as well. The difference between the wages of semi-skilled and unskilled workers remained unchanged.

In the midst of general equalization, one discrepancy stubbornly survives. The difference between the earnings of men and women has been 30 percent for the past 10-12 years. Naturally, a complete equalization cannot be realistically expected, because after all, most of the physically demanding and unpleasant jobs are performed by men. For many years, there used to be a significant difference between men and women in education and experience; nowadays these factors have much less bearing, as a matter of fact, among the younger age groups the average educational level of women is higher than that of men.

In judging the level and growth of incomes and earnings during the past few years, increased attention must be paid to the development of real value. After all, in practice the relatively sharp increase of prices "took away" any potential improvement in the standard of living, and the real 1983 wage of workers and employees only minimally exceeded the 1975 level (100.7 percent.)

A significant portion of the earnings enjoyed by working-class families is derived from agricultural activities, as many of their members work in auxiliary cooperatives (in 1977 approximately 10, in 1982 about 8 percent).

In 1981 about 60 percent of the population cultivated a garden plot or worked in other auxiliary activities. Within this category, 61 percent of skilled workers and about 70 percent of the semi-skilled or unskilled laborers cultivated plots of various sizes. In 1982 workers' domiciles produced 23 percent, and white-collar families 14 percent of their own foodstuffs. (Among members of agricultural coops, the proportion thus produced was 40 percent, and among those who commuted between industry and agriculture 36 percent.)

In general, even most non-taxed auxiliary activities (making things on the side at the shop) are economically useful or are performed in response to unsatisfied demands. One "flourishing" area for these activities is the construction of houses or vacation dwellings, but they are also frequent in repairs and maintenance specialties.

Income derived from auxiliary activities is only in part reflected in statistics. This is understandable, because, even today, these activities are only tolerated and have the stigma of semi-legality. Even if such auxiliary work does not affect the majority of workers, there are significant groups whose earnings are noticeably increased by performing these tasks, primarily those who are in the construction, repair or maintenance trades. The widespread acceptance of tipping, gratitude payments and payola is becoming an undesirable, even dangerous, phenomenon in our society.

This process of earnings re-distribution influences the domiciles of workers as well, in a positive and negative fashion alike. There are numerous occupations held by members of the working class where tipping or payola is acceptable or even generally expected. In general, however, we can be sure that the domiciles of workers do not gain, but rather lose, in the course of this type of income re-distribution. After all, most of the workers do not

receive tips. At the same time, the entire society, including the workers, share the burden of shouldering this "taxation."

The proportion of social benefits received by domiciles with active earners continued to grow between 1977 and 1982. The increase was noticeable in every social layer, but its size was the greatest among the members of agricultural cooperatives. This means that the process initiated by the resolutions of the Ninth Congress of the MSzMP [Hungarian Socialist Workers' Party] continued, bringing members of the two social classes closer to each other. Looking at personal incomes, the proportion of social benefits received was largest among the [non-agrarian] workers. (As for the actual size of the amount of these benefits, we can only estimate it: based upon domicile statistics, the per capita amount is somewhat over 7,000 forints per year.)

#### Consumption Level and its Structure

The structure of consumption is an important indicator of the standard of living and of the population's material situation, giving a more realistic picture of the situation than the current income statistics.

As far as money spent on foodstuffs goes, there is hardly any difference between the various strata. Only white-collar workers spend more than the average amount on this. This difference is not great, about 7 percent above the working class average. It must be added that this category includes members of the intelligentsia as well as white-collar employees, and this strongly influences the "averages." The amount spent on specialty food items, alcohol and tobacco, is even more evenly distributed, with the lowest proportion among white-collar workers. Expenditure on industrial consumer goods is also similarly distributed, except for the domiciles of white-collar workers, where more is spent on these items, and especially on durable goods. The deviation is larger in the area of money spent on dwelling construction and the purchase of real estate: families of agricultural cooperative members and white-collar workers spend 25-30 percent more on this than do workers or those who commute between industry and agriculture. The use of the various cultural and service facilities depends on the local opportunities and traditions as well as the level of income: Thus, it is most frequent among the (largely urban) intelligentsia, followed by the domiciles of workers, while cooperative-member peasantry rarely spend any money on this.

The consumption of meats significantly increased in every group, and its level became equally distributed, similarly to those of milk and preserved and fresh vegetables. The consumption of fruits increased in every social group, but in white-collar families it is much higher than among the rest of the population.

The housing situation is an important indicator of material circumstances, because a dwelling is a basic existential requirement; its possession and its quality defines the consumption pattern of the family.

The housing issue is still one of our major worries, but we have achieved significant results in dwelling construction during the past three decades. Between 1949 and 1980 the number of dwellings increased by 1.1 million units (approximately 48 percent). The makeup of the dwelling supply also changed

for the better: the proportion of one-room units decreased from 66 to 27 percent, while the number of units having three or more rooms grew from 5 to 24 percent. In 1980 about three quarters of the families had at least two rooms usable for living purposes. The comfort of the dwellings has also been greatly improved: in 1960 only 13 percent of the units had facilities (heat, bath, toilet, etc.) built in, but by 1980 this proportion rose to 51 percent. By 1984 further improvements had been made: The number of apartments increased by 200,000, approaching 3.8 million. There was also improvement as to the type of apartments: only 25 percent of the units have one room, while 26 percent have three or more rooms.

The housing situation of the workers continued to improve during the past decade, even though, contrary to popular belief, their share of state-owned apartments--especially when it comes to well-equipped, quality units--remained lower than their proportionate size within the population.

It appears, therefore, that the housing situation of the working class showed a discernible qualitative improvement at the turn of the 1970s and 1980s. This is primarily attributable to the fact that many building projects started years before, using individual resources and energies, were completed around that time. It is characteristic that members of the working class most often are compelled to finance their own building projects, and either do the work themselves or organize their friends and co-workers to assist.

As for the availability of certain household equipment (radio, TV, washing machine, etc.) the situation in this respect was satisfactory as early as the beginning of the 1970s, and since that time there has been continued quantitative and qualitative improvement.

Evidently, then, the characteristic tendency in many areas of supply has been a movement toward equalization between the various social strata. Every social stratum came closer to the most prosperous group, the white-collar workers; even the lot of the latter has improved considerably, to the point that today--with the exception of automobiles--it has approached, or even reached the point of full saturation. In this respect, the stratum that came closer to the white-collar employees is the one made up of industrial workers. Taking the comfort of dwellings as an example, the existence of indoor bathrooms in 1982, using white-collar workers as a basis of comparison, is 78 percent in the case of industrial workers, 64 percent in the houses of cooperative peasantry, and 70 percent in the houses of those who commute between agriculture and industry. It can be stated, therefore, that the situation of active earners within the working class has improved significantly and in its entirety it is beginning to resemble that of the white-collar workers. This trend continued during the early years of the 1980s.

#### Working Conditions

The working conditions of the 878,000 blue-collar workers employed in state enterprises (who make up about one-third of the working class) have been examined in 1980. Most frequent among the potential harms and difficulties was the increasing threat of industrial accidents: such a threat faced about 15 percent of the total number. Among men, almost 20 percent worked in

markedly accident-threatening situations (among women this occurred in not quite 5 percent of the cases); 16 percent performed difficult physical labor, and 14 percent worked outdoors. Among women, harmful noise appeared to be the most frequent threat: about 11 percent of those performing physical work were affected by this. Since 1980, in part because of the reduced investments, working conditions in industry deteriorated (machinery and equipment is aging, the renovation of buildings has been delayed, etc.).

In evaluating working conditions, it is important to consider how the workers themselves see these. During the recent past, there have been studies undertaken that seek answers to these types of questions as well. The answers thus obtained reveal that, even though physical demands and the threat of accidents have been reduced somewhat between 1976 and 1982, psychological stress has increased in the same period. In evaluating the changes in working conditions, the utilization of overtime and (as a most recent development) the demands of enterprise economic work associations (VGMK) must also be taken into consideration.

Between 1976 and 1983, the proportion of industrial overtime has grown from 3.0 to 3.9 percent of all hours worked. Taking the 1976 overtime figure as 100 percent, this means that the 1983 overtime is at the 109 percent level. Most overtime work is performed in mining (6.6 percent), with food processing (5.8 percent) and metallurgical industries (4.0 percent) following.

A different aspect of overtime work is reflected by answers gained in a 1981 survey, which expanded beyond industrial workers as well. According to these, 15.9 percent of active earners performed overtime work, with 5.7 percent working more than 20 extra hours monthly.

As revealed by the above data and survey findings, during the early 1980s members of the working class on the average had to work more, and under worsening conditions, in order to preserve the material living standards they had achieved by the second half of the 1970s. In this respect, members of the working class resemble those of other social strata.

There was a continued trend toward equalization of per capita incomes between the larger social strata. When it came to personal income, in 1972 white-collar workers enjoyed a 37 percent advantage over members of the working class, but by 1982 this advantage was reduced to 25 percent. The advantage of cooperative peasantry over industrial workers was reduced from 14 to 1 percent. During the same period the situation of average pensioners improved, when compared to that of active earners' domiciles: their disadvantage in per capita personal income was reduced from 34 to 13 percent. (This figure includes all pensioners, not only former industrial workers.)

The other major social groups--with the exception of inactive domiciles--continued to close the gap between themselves and white-collar workers, with respect to ownership of dwellings and domestic appliances, but also in certain areas of food consumption.

It appears, therefore, that in spite of the difficult economic conditions of recent years, the wavering or stagnation of current incomes--which seriously

hindered the growth of consumption--a general negative development has not taken place.

However, there are distinctions concealed behind the average figures. For example, income differentiations within the working class determined by the types of communities are greater than those based on levels of training: Taking the per capita income of all workers' domiciles as 100 percent, the relationship of Budapest residents to this figure is 118 percent, of those living in other towns is 98 percent, but of those residing in villages is 94 percent; at the same time, taking the earnings of skilled workers as 100, semi-skilled workers earn 99 percent, unskilled laborers 97 percent, and the supervisors of production 115 percent.

There is also greater differentiation in the combined personal incomes of active earners: in 1982, the average was 3,990 forints. Using this as a basis, unskilled laborers earned 87, semi-skilled workers 94 and skilled workers 117 percent of this. The earnings of skilled workers ranged from 98 percent in commerce to 131 percent in transportation. The range was smaller for semi-skilled workers: 86 percent in commerce and 106 in transportation; while the smallest differentiation occurred in the earnings of unskilled laborers: 80 percent in agriculture and 91 in transportation.

#### Participation in Auxiliary Activities

The most widespread form of auxiliary activity is participating in small-scale agricultural production (equaling the full-time yearly work of about 800,000 people), working on privately financed dwelling constructions, and non-legal pursuit of artisan activities (which equal the full-time yearly work of an additional 150,000 and 100,000 people, respectively.) If we add to these figures the overtime work performed at one's place of work, and take into consideration that these activities are not equally distributed in time or among the various strata of workers, we must conclude that about 70 percent of workers frequently work one and a half eight-hour shifts daily.

According to the 1981-1982 data, 40 percent of the active earners in the socialist sector (49 percent of men and 35 percent of women) obtain extra incomes of various size. The proportion is higher among the physical workers (48 percent) than among the white-collar workers (34 percent). In other words, while one out of two blue-collar workers has some kind of reported extra income, only one out of three white-collar workers has the same. Among the workers, the obtaining of extra incomes also depends on technical skills: the proportion is 50 percent among skilled workers, 47 percent among the semi-skilled, and 43 percent among unskilled labor.

In part, these extra incomes are of a compensatory character: they make up for the fact that wages are lower in the socialist sector. This is illustrated by the fact that the wages of those active earners who do not have extra incomes are about 5 percent higher than of those who have such incomes. Those who participate in auxiliary activities transform their 5 percent wage disadvantage into a 22 percent advantage by earning extra income: the amount of their wages and auxiliary incomes surpasses that earned by those who do not participate in auxiliary activities.

Basing our examination on occupational groups, we find that nearly three-quarters of those who earn extra income are workers. Among men, the proportion of workers is even higher: 81 percent. The average level of extra incomes, compared to that of wages, is relatively modest: they only comprise about one-quarter of the earnings obtained by those who participate in auxiliary activities (1,297 forints per month). Thus, incomes derived from auxiliary activities are, in fact, of auxiliary character. On the average, men earn 1,445 and women 1,021 extra forints per month; this difference is about equal to the gender-based wage differences prevailing in the socialist sector. In a further breakdown, the average semi-skilled worker earns 1,556, a skilled worker 1,193, and an unskilled laborer 968 forints per month.

Auxiliary incomes are derived from various sources. The relative importance of these sources--as well as the opportunities to gain access to them--differs according to occupational groups. Small-scale agricultural production is the only activity in which workers' participation exceeds their proportional size as a social layer; their opportunities to obtain extra income from overtime work or from tips is much more limited.

One of the most important conclusions we can derive from examining on-the-job negotiations concerning the various elements of wages is that workers and their representative organizations rely primarily upon informal means in order to achieve their goals. In the course of most negotiations, they can enforce the acceptance of their economic demands only in a round-about and indirect manner, depending upon their position in, and the opportunities offered by, the labor market. As a result of this, even though there are relatively small differences between the average earnings of different workers' occupations, experience in the plants reveals that two- or even three-fold deviations between the wages of identically trained workers are not uncommon.

Based upon recent surveys, the maintenance of a consensus arrived at in the course of informal negotiations and unwritten agreements between factory management and other interested parties depends largely on how stable those conditions are--inside and outside the plant--that have forced the negotiating partners toward mutual accommodations and strategy adjustments.

Consensus within the plant has been weakened when the workers encountered uncertainty in their chances for increasing their income within the plant, unpredictability in the reasoning of management, grievances growing out of wage tensions, and facts or rumors concerning higher obtainable wages elsewhere; while management sensed threats to the maintenance of production level and sought out means which they could deploy in order to prevent a crippling shortage of labor. In evaluating the available courses, it was revealed that the phenomena of small enterprises--initially perceived as threats and rivals) can become parts of the solution, provided they are given the opportunity to operate in close integration with the large enterprises. In contrast to those enterprises that categorically refused to acknowledge the rationale behind the existence of enterprise economic work associations (VG MK), there were several enterprises, some of them in difficult situations, that must have realized this and succeeded in promoting a rapid growth in the number of enterprise economic work associations, either by employing gentle or

firm persuasion, or by patronizing self-organization among the workers. It is attributable to this that within two years enterprise economic work associations became the most prevalent form of small enterprise in the country.

The management of an enterprise included in our surveys stimulated and patronized the formation of work associations, while simultaneously it made overt attempts to subordinate them to its formal organization.

Management perceives the work association as a means for extending the progressive practice of payment based on piece-work, thus compensating for production capacities that are not available. It is also favorable for the enterprise that the fees paid to the work associations, and thus the auxiliary incomes of association members, are--in contrast to overtime wages--not included in its wage budget; they can be accounted for under miscellaneous expenses. For this reason, management allowed the work associations to base their contract offers on hourly wages that are higher than the average paid for overtime work.

Based upon the above, it appears that the phenomenon of work associations cannot become the "cottage branch of industry," and even less can they become real enterprises: it appears that these work associations are nothing more than groups of workers organized to perform auxiliary work.

Experience shows that the work associations have achieved what various systems of stimulation have been trying to achieve for decades: the holding back of productivity has become senseless for "enterprising" workers. If we also consider that from time to time they safeguard the orderly process of work, organize and rationalize the production process even during the hours of day shift, and in their selection of members they primarily rely on the skill and training of workers, it becomes evident that participation in the enterprise economic work associations goes far beyond the classical role of employee organizations.

In the final analysis, the creation of the work associations and, through this, the partial institutionalization of wage negotiations, together with winning over a broader segment of workers, made it possible to renew the consensus between management and skilled workers who are crucially important for the operation of the factory.

Naturally, the appearance of work associations is not an exclusively positive phenomenon, and they are certainly not the miracle cure that are likely to solve the problems connected with our economy and our industrial efficiency. Their greatest negative aspect is that they had to be created, because work performed during the daylight shift could not be made anywhere nearly as organized and efficient as it is under the aegis of the work associations. In addition to this, as is the case with every untested innovation, the work association movement contains other undesirable phenomena. Nevertheless, until we succeed in making work performed during the main shift significantly better organized and more efficient--and provide much higher wages for efficient work--this type of auxiliary activity will remain necessary and useful.



## The Situation of Selected Worker-Groups

### Women Workers

Since the 1970s, industry has become the primary employer for women as well as men: in 1983 there were 497,000 women workers, constituting 42.7 percent of industry's blue-collar work force. The occupational distribution of women workers has been modified in a basically positive direction, although we can also detect numerous internal contradictions. The changes are significant: the proportion of skilled and semi-skilled women workers increased, while that of unskilled laborers sharply decreased. Only a minimal percentage of women entering industrial occupations for the first time gravitate toward the developing new trades. A large portion of women skilled workers originally aimed for a trade different from what they actually pursue now.

The main reason for women leaving their careers is that the shift-scheduling and work order in the so-called feminine industrial jobs do not take into consideration the obligations of women and mothers. In this way women, subject to family obligations, either "voluntarily" or out of necessity, are left behind when it comes to professional, occupational and income advancement. Their chances for promotion are slim, because by the time it would take place, taking care of the children emerges as their primary consideration.

Of the more than 600,000 people falling into the unskilled and semi-skilled category that represents nearly one half of the Hungarian industrial workers (64.5 percent of which is made up of women) find employment after a series of failures in school and in selecting a profession.

In spite of the changes, unskilled labor is significant in providing jobs for women. Increasingly their replacements come from the youngest generations, from among those who are disadvantaged in a number of ways.

In addition to this, there are a large number who regard semi-skilled work, or the securing of any kind of employment as a solution and not infrequently as definite advancement. The largest proportion of blue-collar women employed in industry are first-generation workers.

The majority of working women do not advance within their social stratum. Their status is characterized by a stability, delimited by the surplus of female labor force, the restricted choice of blue-collar jobs available for women, as well as by the responsibilities of women as mothers and keepers of the household. A smaller percentage is able to take advantage of the limited, but available, opportunities for promotion, which also brings with it a change in their social status.

Women's presence on the occupational scale has improved in the past decade; the number of professions open only to men has been significantly reduced. On the other hand, it is also true that in a number of professions the proportion and number of men has declined in an extraordinary manner. Feminization became widespread primarily in trades where there is a high degree of mechanization;

these only call for simple, rote work, which men are reluctant to accept. In these occupations there is a high degree of work intensity and monotony, the jobs are characterized by static stress, unfavorable shift work, and wages that remunerate "performance that can be performed even by women." (This occupational category contributes to the fact that women earn 30 percent less than men.)

#### Workers Residing in the Villages

According to the data of the 1980 census, 58 percent of the active earners residing in the rural communities are workers; thus, the proportion of workers is nearly as high in the villages as in the cities.

Among them, the ones living near their work-places in the cities are somewhat better off materially: they have more opportunities for performing auxiliary activities after working hours, and the proximity of urban markets also aids them in this.

Nowadays the difference between cooperative members and industrial workers is less distinct than between local and commuting workers. Taking this into consideration, we can distinguish three characteristic types of workers residing in rural communities: those locally employed, those who are employed in nearby cities, and the long-distance commuters. To a certain degree, the employees of state farms can be considered to belong to a distinct category.

Today's workers employed by the industries of nearby cities differ from their predecessors in every way: the majority of them (at least of the younger generation) are second-generation workers, whose life style and demands, as well as their behavior and attitudes, are becoming comparable to those held by urban workers. During the past decade, the number of skilled and educated individuals among these short-distance commuters has also increased in a spectacular manner. They differ from their urban-dwelling colleagues primarily in the housing and living circumstances, which, after all, can be attributed to the discrepancies between urban and rural communities.

The long-distance commuters find work in the larger cities and industrial centers, thus their place of work is quite distant from their residences. While their contact with their families frequently deteriorates, they can seldom stabilize their circumstances living in workers' hostels or in sublets; thus, they have considerable problems fitting into their social and work environment. Their situation is made more difficult by the fact that most of them are poorly educated, lacking trades and--not having marketable skills--are most frequently relegated to performing unskilled labor. They frequently evidence deviant behavioral patterns: alcoholism, alienation from family, inability to hold onto employment, personality disorders, etc. Today they represent that stratum of the working class which is faced by most difficulties. Although their number is declining, it is still significant, about a quarter of a million people.

Much more favorable is the situation of those workers who reside in the villages and are employed locally. Their life-style is more stable and balanced, they enjoy the advantages of residing close to their work-places,

since, compared to the long-distance commuters, they have more time and energy left to improve their domiciles and their communities, to perform chores around the house, and all of these add up to higher earnings as well as more cultured living conditions. Within this stratum we can find the employees of industries that moved to the countryside, those who work for the local councils or the state farms, but we can also include here those rural residents who work in the auxiliary shops of the cooperatives, or those who perform non-agrarian work for the cooperatives.

Work at the state farms is organized in such a manner that employees perform it similarly to their industrial counterparts. However, modern production systems, forms and technologies are not only characteristic of state farms; they are being adopted by most agricultural cooperatives, as well.

In certain areas there has been serious progress made in eradicating the differences between the workers and cooperative peasantry. This is noticeable not only in the proliferation of industry-type production methods or the rising educational level of agricultural workers, but also in family structures. Nowadays there are hardly any rural families that do not include [non-agricultural] workers.

#### Unskilled Laborers

The problems of unskilled labor are in part identified by public opinion with the worries of the poor, the Gypsies, and the uneducated. With the narrowing of opportunities for social and economic mobility, it is becoming especially important to define within this stratum of the working class the direction and extent of deprivation, and the trend of accumulating disadvantages. During the 1970s the number and proportion of unskilled laborers rapidly decreased, and this is especially noticeable in agriculture.

Unskilled labor is no longer a "transit station" in the course of upward social mobility; instead it is becoming a "collector" for those that are left behind or are recidivists. As for the process of mobility, we can talk more and more of inheritance, preservation and survival. The structural mobility that takes place in the distribution of work-assignments does not always bring with it a significant improvement. The existence of unskilled workers who begin commuting from their poor peasant background could be viewed as a downward as well as an upward movement, and reaching the category of [non-agrarian] worker does not necessarily mean a step up on the social ladder.

There is a stratum within unskilled laborers, too, who are relatively better off. However, the actual situation is not accompanied by a sense of satisfaction, and it is precisely those who are better off who voice impatience. Such manifestations reflect their desire to have their interests taken into consideration, but they can also be viewed as indicative of the cultural, political and moral aspirations of the unskilled laborers.

In general, unskilled laborers lower their expectations and values. Their difficult circumstances result in unfavorable life-strategies on their part, which in turn make it difficult for them to adjust to their own social status.

The inability to adjust, through the lack of desire, leads to the various negative phenomena of social deviance.

The status of unskilled laborers in today's Hungarian society is not uniform: its forms range between a deprived existence and the life-style of a materially well-off worker.

#### Foremen

The position of foremen developed in tandem with the beginning of large-scale industrial production, but, due to the appearance of quantity manufacturing, the content of the phenomenon has already undergone significant changes during the capitalist period. During the early years of the socialist period, the foremen lost their privileges, their earlier positions of authority, and even their function as commanders of the production process has basically changed. In relation to skilled workers, their education and occupational expertise level has deteriorated. This process took place parallel with the development and dynamic growth of functional departments within the enterprises.

In the final analysis, the diminishing of the foremen's traditional function and prestige was almost threatening the continuity of the production process. Thus, attempts were made to re-establish the shaken prestige and function of foremen. Such attempts can be observed even today. The primary reason for the failure is that the thorough-going changes are ignored, and there are attempts to continue the earlier processes where they were discontinued.

In reality, the developments of a third of a century brought about the gradual integration of foremen into the working class, with the result that now they form a sort of top stratum within that class, and this fact determines their position within the production process.

Nothing characterizes this situation better than the fact that included among the functions of foremen are those related to representing the interests of workers. In other words, even while their role in the formal organization of the plant remains unclear and contradictory, in the informal sphere they have achieved crucial positions. This results also from the fact that the 1968 reform of the economic mechanism left the internal structure of enterprises practically untouched. On the production level, the task of resolving the contradiction between the economic environment and the organization within the enterprise remains almost exclusively assigned to the foremen, who are only able to more or less perform this by relying on their purely informal positions of authority and with the help of their inter-personal contacts. Under the given conditions, the foremen are not, and could not be, interested in the modernization of work organization. Even under optimum conditions, these limited modernization attempts could not make the operation of the formal organization effective enough to replace the informal system of relationships that was destroyed as a result of modernization. Therefore, any concept that considers the crisis of foremen as primarily having to do with wages, and offers exceptional remuneration as a solution, is faulty.

The above outlining of strata is far from exhausting the internal structuralization of the working class; we cannot even claim that, in addition

to the above listed characteristic strata, there are no additional ones that could be considered similarly important from other points of view. All we wanted to illustrate was the fact that the entity of the working class itself is structured, and in dealing with the class, one must take into consideration numerous other distinguishing factors, in addition to those derived from material conditions and the concrete process of production itself.

Naturally, the internal structuralization of the working class is important not only for reasons of scientific examination, but also for the practice of everyday social policies. In this respect, the question of class integration is particularly important.

### Class Integration and Internal Structuralization

Earlier surveys demonstrated the rapid assimilation between the social situation of the working class and cooperative peasantry during the 1970s, and the fact that the development of cooperative peasantry is not leading toward the creation of a new class, but rather toward the latter's becoming identical to members of the working class. At the same time, these studies pointed out that there are increasingly significant internal distinctions within each of these social groups, and that these differences are often greater than those between the average data of the two classes.

The research of the early 1980s substantially supports the above observations, adding extra emphasis to the role of difference between the strata, and pointing out the loosening of "class" parameters. What this means is that during the past decade and a half the processes of social differentiation and equalization have taken place less frequently based on, and more often independently of, traditional class considerations.

As is well known, the presently accepted statistical definition is based upon the 1974 resolution concerning the working class formulated by the MSZMP Central Committee. This definition significantly broadened the parameters that determine who belongs to the working class. Based upon the new classification, practically all blue-collar workers belong to the working class, except the self-employed and those who are employed by the agricultural cooperatives. The separation of the self-employed from the working class does not present any problems from the point of view of class theory. However, the treatment of blue-collar workers employed by the agrarian cooperatives as a separate class is less and less compatible with the actual situation--or with the criteria of class theory. (For example, in addition to the theoretical similarity between the ownership relations in the state and cooperative sectors, which has been officially recognized for at least a decade and a half, we are now witnessing the appearance of several phenomena in the state sector, such as the election of directors, increased enterprisal independence, etc., which have been formally present in the agrarian cooperatives from the beginning.)

At the same time, we must admit that the direct remnants of past class structures have also survived, let alone their "secondary" effects, which can be observed not only in the cultural and ideological spheres, but more concretely, in opportunities for social mobility, life-styles, individual

careers, or their absence. Consequently, we feel that there are twin determinant forces at work in today's social structure: The actual social position of (active) earners and their families and the concomitant effect of peer-group norms and examples, which work toward the weakening of class-based integration and the strengthening of differences between strata, on the one hand, countered by the continually surviving effects of earlier social positions and/or childhood socialization, strongly reminiscent of the effects of earlier class structures, which it would be regrettable to reduce to the level of "mere" cultural differences.

For however long and to whatever degree these twin determinants continue to exert their influences, we can claim neither that class integration and solidarity have ceased to have their effects, nor that they have disappeared. Instead, we can claim the existence of a transitory situation, whose past trend, during the peaceful evolutionary period of general growth, is known to us.

It follows therefore that from the above outlined differentiations we do not wish to conclude that "the working class does not exist," but that "the working class continues to be very complex in its structure."

Taking the above research results into consideration, we must conclude that for members of the various working class strata the fact of belonging to the working class barely means anything, at least as far as the subjective living of class existence is concerned. One reason for this is that class-based identities--even if they can be "philosophically" oriented--have for some time been difficult to experience emotionally in our country, in contrast with the sharpening stratum and status differences internally dividing the working class. In addition, there is an absence of comparison necessary for identification, since there are no opposing classes representing conflicting interests. Instead, we witnessed the rapid social development of cooperative peasantry, the effective operation of large-scale agriculture, a growth in the number of white-collar workers who cooperate with the workers in productive work: These processes--in spite of the fact that there are occasional conflicts--do not contribute to the practical justification and further development of class integration.

It could be considered a great achievement of socialism that the (already relative) correlation between class status and social circumstances has been eroded, society has been restructured, urbanized and specialized, which--among other things--also resulted in the fact that for a great number of individuals and families the earlier rigid separation of classes and social groups has disappeared. There are more and more households whose members belong to disparate strata and classes, and such mixed social belonging is even more prevalent among members of extended families. These are factors that point toward a new, non-class based integration and the simultaneous disintegration of the earlier classes.

At the same time, there is a new type of differentiation taking place, one that has been successfully kept in check earlier, and one that is referred to by some researchers as the growth of status differences.

In addition to the recorded differences having to do with demography, education, occupational branches and geographical areas, the wage, income and wealth discrepancies surfacing between the various strata of the working class are also connected to technological factors. These are closely connected with the varying positions in the second economy of the recent past and on the labor market, as well as labor policies of the enterprises.

The technological differences are much greater than illustrated by the personnel records of the enterprises. The differences based upon technological types are further enlarged by the variants existing within these classifications, based on positions and functions, the sum of which results in the creation of rigid hierarchical work organizations. These variants are scarcely reflected in the records based on education and training, since the majority of them are specific to individual enterprises.

This should be taken into consideration also in the course of modernizing the recording system of the Central Statistical Office (KSH), because it is becoming increasingly evident that the unskilled/semi-skilled/skilled breakdown of the working class is less and less indicative of the actual situation, in spite of the fact that such a classification has also become increasingly widespread outside the industrial population.

With the growth of enterprisal autonomy and the modification of wage policies, we can expect even less of a correlation between basic classification, earnings and (technologically oriented) occupational skills. Even within the manufacturing technologies, the scale is much broader than would be indicated by the above three categories.

Obviously, the issue is not primarily one of record keeping and classification, but one of economics and technology, and therefore it affects society and social policies. Similarly, a solution can only result from development and modernization in the organization of work, one that would create coordination between the individual's place in the production process, his social status, his actually utilized skills, and, not least importantly, his earnings.

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